

EY Environment Report 2024

Global climate and nature disclosures



Shape the future
with confidence

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Leadership message

“ Sustainability underpins our growth, transformation, collaboration and innovation, all enabled by the contribution of our people.

Taking the action that counts

Welcome to the global EY organization’s annual environment report, sharing our progress for fiscal year 2024 (FY24).

Sustainability underpins our growth, transformation, collaboration and innovation, all enabled by the contribution of our people.

We view our responsibility, opportunity and impact in three dimensions:

- Understanding and managing our own environmental impact
- Transforming our business, skills and services over time
- Maximizing our impact globally through our client work and convening power to inform and accelerate the transition

For the fourth year in a row, we are proud to report progress. Across FY24, EY achieved a 40% reduction in absolute GHG emissions, including a

42% reduction in Scope 3 travel emissions against an FY19 baseline.

Accelerating wider progress, EY delivered sustainability services in over 20,000 engagements with almost 12,000 clients, building on investments in skills, services, and alliance partnership.

Our progress reinforces how climate change and nature are indivisible from business and policy responses underpinning growth, risk management, skills, equity, reporting and regulation.

That’s why, building on our progress, we are currently undertaking a planned five-year review of the scope of and pathways for our strategy, linked to the changing shape of business and society. During FY25, we will publish an updated EY Environment Strategy encompassing a science-aligned decarbonization plan and measures to evaluate our impact on nature and biodiversity.

The next five years are crucial for protecting climate and nature and to securing the plans, progress and investment needed to enable a stable, affordable and equitable transition. These years will present some of the most complex challenges for businesses and government navigating the near-term transition.

We are committed to playing our part in translating ambition to action, in our business, with our people, and in wider society.



Harsha Basnayake
EY Global Managing Partner – Business Administration & Risk



Amy M. Brachio
EY Global Vice Chair – Sustainability

Innovation

TAKING STOCK

Welcome to the new EY environment report.

Action on and investment in the interrelated environmental imperatives of climate and nature in the next five years are crucial to securing a transition that is stable, equitable and affordable. Collaboration, integration and innovation will fuel progress toward addressing the risks and opportunities that these near- and long-term threats pose to organizations and society.

A new EY environment report for an evolving landscape

We are committed to building a better working world for EY clients, people and communities.

Climate change and nature – inclusive of biodiversity loss, resource consumption and land use – are intertwined and must be addressed systemically. The four most severe risks in the next decade as identified by the *World Economic Forum 2024 Global Risk Report* all relate to climate and nature.

Environmental reporting and transparency standards have progressed significantly and support wider engagement and transparency on plans and progress. The EU Corporate Sustainability Reporting Directive (CSRD), the EU Taxonomy and the International Sustainability Standards Board (ISSB) S1 framework are evolving to include mandatory nature-related disclosures, highlighting the growing integration of nature considerations with corporate governance and reporting.

This report offers deeper, more focused insights on our environmental dependence and performance by combining climate and nature disclosures into a single report, utilizing the framework established by the Task Force on Climate-related Financial Disclosures (TCFD) and adopted by the Taskforce on Nature-related Financial Disclosures (TNFD). It provides an integrated source for business-relevant environmental information for our stakeholders, including our people, clients, suppliers, regulators, and sustainability-standard-setting organizations globally.

As the world confronts the realities of achieving a net-zero, nature-positive and just economy, we view the EY Environment Report as a platform for:

- Outlining our commitments and demonstrating our progress and lessons learned to date
- Supporting greater integration and collaboration with clients and suppliers
- Providing greater transparency in support of our engagement with clients, regulators and wider stakeholders
- Sharing insights and innovation with clients, suppliers and wider stakeholders

Our progress

In January 2021, EY announced a science-based decarbonization target of reaching net zero in 2025 with a 40% reduction in our absolute Scopes 1, 2 and 3 greenhouse gas (GHG) emissions against an FY19 baseline, based on the relevant standards and definitions at that time.

A seven-point plan accompanied this target to drive decision-making, investment and focus throughout the EY organization, with a commitment to review and refresh our ambition and action plan in line with improving standards, science and technologies. Setting an ambitious target with a practical plan was important to demonstrate that action was both possible and achievable in a critical decade for climate action.

Transparency

We're proud of the progress we have achieved. For example:

- Since FY19, EY has grown 41% in terms of revenue and 36% by headcount while our total market-based GHG emissions have declined by 40% to 832,000 tons of carbon dioxide equivalent (tCO₂e).
- By driving integration across EY businesses and supply chains, market-based emissions intensity per dollar of revenue has decreased by 57% and emissions per full-time equivalent (FTE) by 56%.
- Through targeted technology enablement and employee engagement, EY remains on track to achieve a 35% reduction in travel-related GHG emissions by 2025, with sustained reductions in air travel and "one-day" journeys. Train journeys comprised 25% of all FY24 travel, an increase of 15 percentage points compared with the FY19 baseline (10%).
- Our renewable electricity consumed globally increased to 88% against our goal of reaching 100% renewable electricity by 2025.
- Sixty-one percent of EY suppliers, based on FY24 spending, have science-based targets (SBTs) in place supporting cross-sector progress on the net-zero transition.
- Our commitment to invest in and expand our dedicated climate change services and to integrate sustainability within established tax, assurance and consulting services has been recognized by industry analysts, with EY designated the "#1 Leader" in the 2024 Verdantix Green Quadrant: ESG & Consulting Report and "Leader" in IDC MarketScape reports.

Transparency and engagement are key to demonstrating leadership. We strive to deliver impact through work that EY clients and people can take pride in, and we commit to demonstrating how EY operations are transforming over time to wider stakeholders, including clients, alliance partners, suppliers and regulators.

Evolving our carbon ambition

The actions we have taken since FY21 have delivered progress, integration and innovation.

From decarbonization and energy efficiency, to expanded reporting and enabling technology, to investing in our skills and services, the legacy of the first phase of our carbon ambition will be how it has embedded sustainability in the wider growth and evolution of our business for the long term.

Building on our progress, we are currently undertaking a planned five-year review of the scope and pathway for our strategy to align with updated standards.

During FY25, we will publish an updated EY Environment Strategy encompassing a science aligned decarbonization plan, including near- and long-term targets and plans to assess our impact on nature and biodiversity.

The next five years are crucial to secure the progress on climate and nature needed by 2030, which will underpin a longer-term stable, affordable and equitable transition.

We are committed to playing our part in translating ambition to action, in our business, with our people and in wider society.

Abiding commitment

To EY people, clients and stakeholders progress is critical, not optional. We're committed to operating as a network, and to engage with EY people and full value chain to deliver the impact we can all be proud of.

To support transparency, knowledge sharing, and wider client and stakeholder collaboration and engagement, we are launching a dedicated reporting portal including our [EY Value Realized Report](#) alongside this report and other related reports, to share in detail our commitments, progress and collaboration with clients, suppliers and wider stakeholders.

The EY Environment Report complements our [Value Realized](#) report, which profiles the global EY impact in creating long-term value for EY stakeholders – EY people, clients and society. We welcome feedback and engagement on our environmental strategy and progress and invite you to contact us at responsiblebusiness@ey.com.



40%

decrease in absolute
market-based emissions

50%

decrease in emissions
per FTE

EY Environment Report structure

The EY Environment Report builds on the report we published last year aligned to the Taskforce on Climate-Related Financial Disclosures (TCFD).

In this report, we provide a transparent overview of our environmental performance to date, while consolidating technical climate- and nature-related disclosures into one document.

Because the report addresses TCFD disclosures and provides a preliminary assessment aligned to the Taskforce on Nature-Related Financial Disclosures (TNFD), we have based its structure on the framework recommended by both organizations – see below.

An index of TCFD disclosures can be found in Appendix 1, while Appendix 2 provides the same indexing for TNFD disclosures.

The report also addresses WEF-IBC metrics – see Appendix 3.



Elements

- 1 Governance**
Organization's governance around climate- and nature-related risks and opportunities.
- 2 Strategy**
Actual and potential impacts of climate- and nature-related risks and opportunities for the organization's businesses, strategy and financial planning.
- 3 Risk and impact management**
Processes used by the organization to identify, assess and manage climate- and nature-related risks.
- 4 Metrics and targets**
Metrics and targets used by the organization to assess and manage relevant climate- and nature-related risks and opportunities.

Recommended disclosures

- a. Board oversight**
- b. Management's role**
- a. Climate- and nature-related risks and opportunities**
- b. Impact on the organization's businesses, strategy, and financial planning**
- c. Resilience of the organization's strategy**
- a. Risk identification and assessment processes**
- b. Risk management process**
- c. Integration into overall risk management**
- a. Climate- and nature-related metrics in line with strategy and risk management process**
- b. Scope 1, 2, 3 GHG metrics and the related risks**
- c. Climate- and nature-related targets and performance against targets**





Responsibility

ENVIRONMENTAL GOVERNANCE

This description of EY environmental governance functions and key environmental roles reflects our organizational arrangements at the start of our 2025 fiscal year.

Key initiatives being pursued in FY25 to further imbed environmental considerations into governance are discussed at the end of this chapter.

EY is the global organization of the member firms of Ernst & Young Global Limited (EYG) and “EY” may also refer to one, or some, individual member firm(s). Each of the member firms of EYG is a separate legal entity. Coordination of environmental risks and opportunities is conducted at two levels within EY – at the Global Executive of EYG and at the member-firm level

EY Global Executive

The EY Global Executive (GE) is the board of Ernst & Young Global Limited (the central coordinating entity of the EY global organization) and is responsible for setting the EY global organization’s objectives, strategy and policies. The GE brings together perspectives from across the EY global organization, including the leaders of the Areas, service lines and functions. Refer to the governance chapter of the [EY Value Realized 2024](#) report for a full list of GE members.

Corporate Responsibility Governance Council

The Corporate Responsibility Governance Council (CRGC) includes seven members of the EY Global Executive and represents a cross-section of senior leaders across geographies. The CRGC works with of the Global Corporate Responsibility function, which supports the EY Ripples program, helps drive progress to deliver on EY sustainability ambitions, and works to support greater transparency through the newly created Non-Financial Reporting Hub. The Global Corporate Responsibility function is led by the EY Global Corporate Responsibility Leader, who reports to a GE member and sits on the EY Global Sustainability Executive.

EY Global Sustainability Executive

The EY Global Sustainability Executive comprises EY leaders across EY service lines, sectors, industry and geographies, and advises and helps coordinate the value-led sustainability work that EY teams provide to EY clients. It is chaired by Amy Brachio, EY Global Vice Chair- Sustainability, with representatives from across the global EY organization including the EY Global Climate Change and Sustainability Services (CCaSS).

EY Global Risk Management Executive Committee

The EY Global Risk Management Executive Committee (RMEC) helps coordinate and provides support for the effectiveness and operation of key risk assessment and risk management activities. Sponsored by the Global Managing Partner for Business Administration and Risk, Harsha Basnayake, the RMEC includes representatives from EY Risk Management Teams, IT, Service Line Quality, and Area Risk Management. RMEC meets regularly to review risk reports and insights on the risks landscape and controls effectiveness across the EY Enterprise Risk Management program, which include ESG risks.

Global Risk Management

The EY Global Risk Management function supports the global EY organization in identifying, managing and monitoring risk, including ESG topics. It provides coordinated advice and assistance on independence, conflicts, compliance, regulatory policy, security issues, as well as dealing with claims and any queries regarding ethics. The EY Global Risk Management function is led by Joe Watt, who also chairs RMEC.

Accountability

Global Corporate Responsibility – Responsible Business

The Responsible Business function is part of EY Global Corporate Responsibility and helps operationalize the EY environmental strategy and other sustainability-related initiatives around the globe. This function collaborates with member firms to translate EY global initiatives into local opportunities across the three EY geographic Areas: Asia-Pacific (APAC); Americas; and Europe, the Middle East, India, Africa (EMEIA). This helps to embed social and environmental value creation across the EY organization and helps drive global consistency on leading services.

The Responsible Business function also helps coordinate non-financial reporting processes. This includes the *EY Value Realized 2024* report, all voluntary non-financial reporting, such as CDP, and reporting to the market on declared commitments. This function also coordinates internal quarterly processes for non-financial reporting across a range of metrics.

Member firm climate governance

Member firms are responsible for establishing governance structures to oversee the management of environmental risks and opportunities arising from local circumstances. Some member firms individually develop annual environmental action plans to achieve their climate and nature-related targets and manage environmental risks. Environmental plans are shared among member firms through an internal environmental management system.

Environmental KPIs are tracked in the quarterly scorecards used to inform the performance of the EY regions led by Regional Managing Partners, who coordinate the member firm operations and sustainability progress.

Key environmental governance roles and responsibilities

EY Global Vice Chair - Sustainability

The EY Global Vice Chair of Sustainability (GVCS) leads the overall EY go-to-market sustainability strategy. The GVCS role is held by Amy Brachio.

The GVCS plays an important role in driving environmental action, both within EY and beyond. This role is supported by various other functions across EY in coordinating the identification, assessment and management of risks and opportunities related to climate change.

This role equally focuses on EY teams helping EY clients achieve their sustainability goals. The GVCS drives collaboration across the four EY service lines to execute the EY global sustainability strategy and helps clients adopt innovations and technologies that create long-term value by enabling environmentally sustainable growth.

The GVCS is jointly responsible for improving the EY organization's environmental performance, in collaboration with the Global Corporate Responsibility leader. This includes goal setting, tracking the progress of the environmental strategy and refreshing it as needed. The GVCS contributes to the GE agenda regularly and connects regularly with other senior leaders.

EY Global Climate Change and Sustainability Services (CCaSS) Leader

The EY Global CCaSS leader is responsible for the coordination of a multidisciplinary service offering that helps companies understand and respond to sustainability, environmental, health and safety and climate change risks, and stakeholder concerns. This role is held by Dr. Matthew Bell.

The Global CCaSS leader collaborates with EY Global leadership to develop environmental and sustainability initiatives, such as the EY environment strategy, and to identify and assess environment-related risks and opportunities for EY globally and with member firms.

EY Global Managing Partner - Business Enablement

The Global Managing Partner for Business Enablement is a member of the GE and leads the global operations of many core functions, including finance, information security, enterprise technology, supply chain services and Global Delivery Services. As a result, this role, held by Anthony Caterino, is instrumental in operationalizing the environmental strategy across the EY organization.

EY Global Managing Partner - Business Administration & Risk

The EY Global Managing Partner for Business Administration & Risk role, a member of the GE, oversees governance and risk and compliance functions. As such, the remit of this role encompasses the environmental dimensions of these functions, such as environmental governance, ESG risk, and environmental disclosures and reporting. This role is held by Harsha Basnayake.

EY Global Vice Chair – Assurance

The EY Global Vice Chair - Assurance, part of the GE, is an important driver of sustainability at EY. Part of this position's remit is responsibility for the coordination of EY Climate Change and Sustainability Services (CCaSS), a sub-service line in the global Assurance service line. Marie-Laure Delarue holds this role.

EY Global Corporate Responsibility Leader

The EY Global Corporate Responsibility Leader leads the implementation of the EY Ripples program to help drive sustainable inclusive growth in our communities, as well as overseeing efforts to embed social and environmental value creation more deeply in everything we do by operationalizing our environmental strategy and other sustainability-related initiatives globally. The Responsible Business function reports to the EY Global Corporate Responsibility Leader, Gillian Hinde.



Functional group responsibilities

Sustainability is integrated into different business functions across EY. In addition to senior leadership, many teams work to advance our sustainability through a range of strategic, technical and enabling activities.



Illustrative examples of EY climate-related roles and responsibilities

Global Executive Coordinates the global strategy and ensures environmental considerations are embedded into the business.



EY has long recognized that we can't achieve our environmental ambitions in isolation and that we have a role to play in catalyzing systemic change given our global presence and scale.

Looking ahead

As EY operationalizes our new All in strategy in our 2025 fiscal year under new EYG leadership, we are taking steps to continue to imbed sustainability into the overall organizational strategy and operations. These will include changes to sustainability governance that will carry through to environmental governance. Key initiatives include:

- Increase the frequency and timeliness of GE consideration of sustainability topics.
- Continue to develop the role of the All in Member Firm Sustainability Working Group which was launched in FY24 and brings together leaders of the three EY areas and member firms representing the largest employee headcount and revenues to provide input and buy-in on sustainability strategy and implementation. This working group will continue to help confirm that the EY global sustainability strategy is adopted and yields the desired impact throughout the EY organization.
- Reframe the CRGC to have responsibility for creating and executing an integrated sustainability strategy aligned with the broader organizational strategy.
- Form the Environment Sustainability Technical Panel to leverage EY's internal technical expertise on climate and nature to apply the same level of quality to our own sustainability as we do to our client engagements. The panel will support the alignment of EY's environment strategy with regulatory and voluntary disclosure requirements as well as client and market expectations.
- Stand up specific committees with delegate authority and accountability to set and implement individual sustainability topic strategies, ambitions, and targets.



Confidence

IMPACT ON STRATEGY

The EY *All In* business strategy aims to shape the future with confidence, creating new value that fulfils our purpose of building a better working world for our clients, EY people, society and the planet.

To do that, we must understand the drivers, risks and opportunities ahead.

In this chapter, we share our views on the actual and potential impacts of material environmental risks and opportunities on the EY global organization, aligned with the TCFD and TNFD recommendations. This assessment is based on modeling that incorporates significant estimates and assumptions – see Appendix 4 for the methodology used to assess each risk detailed below.

EY undertook a double materiality assessment (DMA) in FY24. The *EY Value Realized 2024* report provides further information on the DMA context, process and findings. Climate change is one of the sustainability matters identified in the DMA.

Our assessment of climate risks and opportunities encompasses a preferable future a scenario in which the world achieves the Paris Agreement’s goal of limiting global warming to 2°C or less compared with preindustrial levels, and a business-as-usual scenario that assumes 3.5° to 4.5°C of warming.

Our pilot TNFD assessment, described below, deepened our understanding of EY’s nature-based dependencies, risks and opportunities, helping to guide our integration of nature into EY business decision-making to move toward more sustainable and nature-positive outcomes.

Climate-related risks and opportunities scenario analysis

We designed our climate scenario analysis to indicate the boundaries of risk and opportunity. Physical risks were assessed using IPCC AR6 models for RCP2.6 and RCP8.5 scenarios. Transition risks were assessed mostly using Network for Greening the Financial System (NGFS) scenarios.

Where data was not available or appropriate, IEA scenarios were used (this was largely limited to carbon pricing).

We used these scenarios because they follow the TCFD’s recommendation that scenarios include at least one “2°C or lower” scenario. This aligns with the Paris Agreement’s goal of limiting global warming to well below 2°C, and preferably to 1.5°C. While the TCFD encourages a 2°C scenario, companies can consider other scenarios, including higher warming scenarios (e.g., 3°C) or scenarios exploring specific regional or sectoral risks.

Net-zero optimistic scenario

Net zero provides an “optimistic” scenario. Closely mapping to the IPCC’s representative concentration pathway RCP2.6, the Net Zero scenario assumes all necessary climate policies and related measures are implemented sufficiently to achieve net-zero greenhouse gas emissions globally by 2050 and subsequently limit global warming to 1.5°C. Under this scenario, we expect transition risks – driven by changes in policy, markets and consumer behavior – to have a much greater societal and business impacts than physical risks.

Business as usual (BAU) scenario

The BAU scenario assumes 3.5°-4.5°C global warming, which aligns to the IPCC’s representative concentration pathway RCP8.5.

The BAU scenario assumes that high emissions allowed by current climate policies continue, resulting in higher warming. In this “negative” scenario, we expect physical risks driven by longer-term weather changes to have a greater impact on EY, and transition risks to have a lesser impact.

Opportunities

Climate physical risks

Increased temperatures leading to heightened risk to employee health and wellbeing

Increased heatwave intensity, duration and/or frequency could affect the health and wellbeing of EY people, especially those working from their homes, which may not be equipped with adequate cooling. Such situations raise concerns of heat stress, reduced productivity and increased operating costs. Power outages often accompany extreme heat, exacerbating health impacts and productivity loss. Our modeling suggests that heat-related productivity and revenue impacts on global operations could reach \$3.2b annually by 2050 under the BAU scenario and \$2.4b annually under the net zero scenario.

Increased intensity, frequency and/or duration of flooding, impacting office buildings, public infrastructure and homes

Increased flooding could make office buildings inaccessible to EY people, cause costly damage and result in higher insurance premiums. Floods may also compromise public infrastructure, such as roads, electricity, and internet, reducing the ability of EY people to commute. Flooding may also affect people at home, resulting in absence from work while damage is repaired, reducing revenue-generating activities. Our modeling suggests that our costs and revenue losses associated with flooding could reach \$3.3b annually under BAU and \$3.2b annually under net zero by mid-century.

Climate transition risks and opportunities

Risk: Real or perceived reputation damage due to a failure to meet self-imposed public climate targets

EY announced a number of climate targets in the Carbon Ambition published in 2021 (see *Metrics and targets*, page 29). If these targets are not met, EY may be perceived as a climate laggard externally, leading to a loss of revenue if clients switch to competitors for their superior climate

reputation (particularly relating to the supplier climate performance requirements of large organizations and governments). Our modeling suggests that annual revenue losses due to reputation damage as a climate laggard by missing published targets could reach \$7.8b by 2050 under net zero, compared to \$103m under BAU.

Risk: Reputational damage from pursuing client engagements that are not aligned to EY net-zero goals

As organizations come under increasing pressure to act in accordance with their stated climate ambitions and targets, EY may face criticism and reputation damage from working with clients whose activities are perceived to conflict with EY's stated climate positions. This may lead to fewer clients choosing to work with EY, thereby reducing revenue. Our modeling indicates a potential annual loss of \$7.0b in revenue by 2050 under net zero, and \$2.0b under BAU, due to client engagements perceived to be out of alignment with our climate goals.

Opportunity: Increased revenues through sustainability-related products and services

The transition to a low-carbon economy will continue to increase demand for sustainability consulting and assurance services. This will create an opportunity for the EY organization to grow climate-related sustainability revenues, reinforcing the business case for investing in capabilities (e.g., skills, services, technologies) to support clients in their transition journeys. Our modeling suggests that by 2050 the revenue upside could reach \$4.0b annually under the net-zero scenario and \$700m under BAU.

Opportunity/risk: Impact of EY's climate performance on the organization's ability to attract and retain talent given a preference to work for a climate-positive organization

EY may be able to attract more new talent, or retain existing talent better, due to the organization's positive climate performance and a preference for working for a climate-positive organization. This may help to reduce the cost of recruitment and retention.

Alternatively, with increasing expectations by employees for businesses to recognize, manage and address climate change, a poor response to these issues could reduce the organization's attractiveness to talent, particularly among younger people who tend to be more environmentally conscious. It could also reduce employee retention, increasing costs related to recruitment and training and potentially requiring higher salaries to attract the same talent. Difficulty in attracting and retaining top talent could reduce the quality of the work provided by EY leading to reduced client satisfaction and a reduction in revenue.

Our modeling suggests that the talent upside for positive climate performance could reach \$4.0b annually under net zero and \$650m under BAU. These same amounts are potentially at risk as a climate laggard under the two scenarios.

Nature-related risks and opportunities: TNFD pilot and readiness assessment

EY is one of 320 organizations that committed to adopting the TNFD recommendations and will publish a TNFD-aligned report as part of our FY25 reporting. EY undertook a TNFD readiness assessment as part of the commitment of an early adopter. The readiness assessment included an understanding of EY's dependencies on and impacts to nature across the business, and identification of the associated risks and opportunities.

The assessment was conducted across three components of our value chain:

- **Direct operations:** covering all 815 member-firm offices and 14 co-location data centers internationally
- **Supply chain:** covering 49% in FY23 of addressable spending by EY entities purchasing goods and services
- **Services:** covering revenue from delivery of client services by member firms

The readiness assessment has been a transformative process, providing a solid foundation for EY environmental initiatives. It has informed EY environment strategy, helped refined metrics and targets, and contributed to strengthened governance. We are committed to building on this foundation to achieve our vision of a sustainable and nature-positive future.

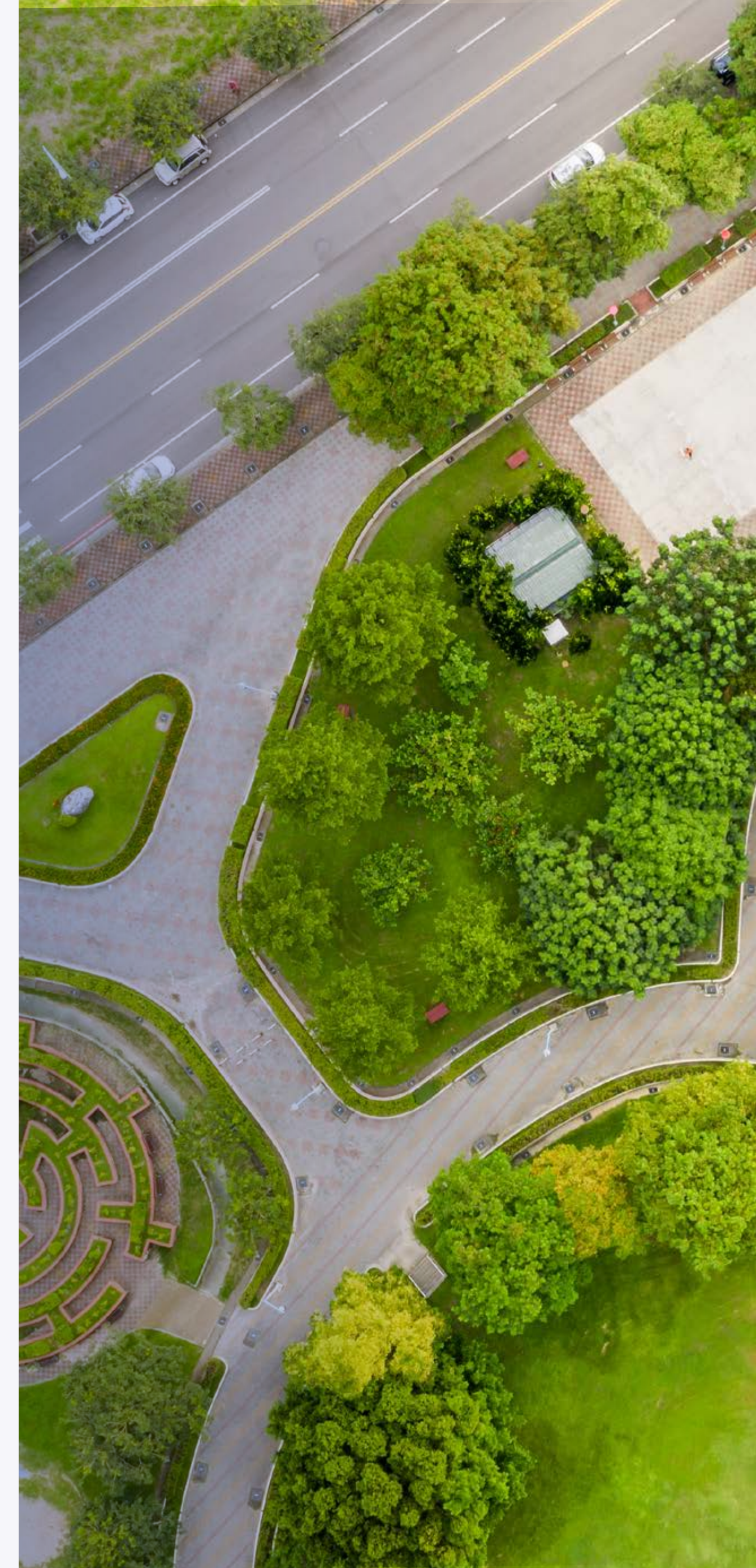
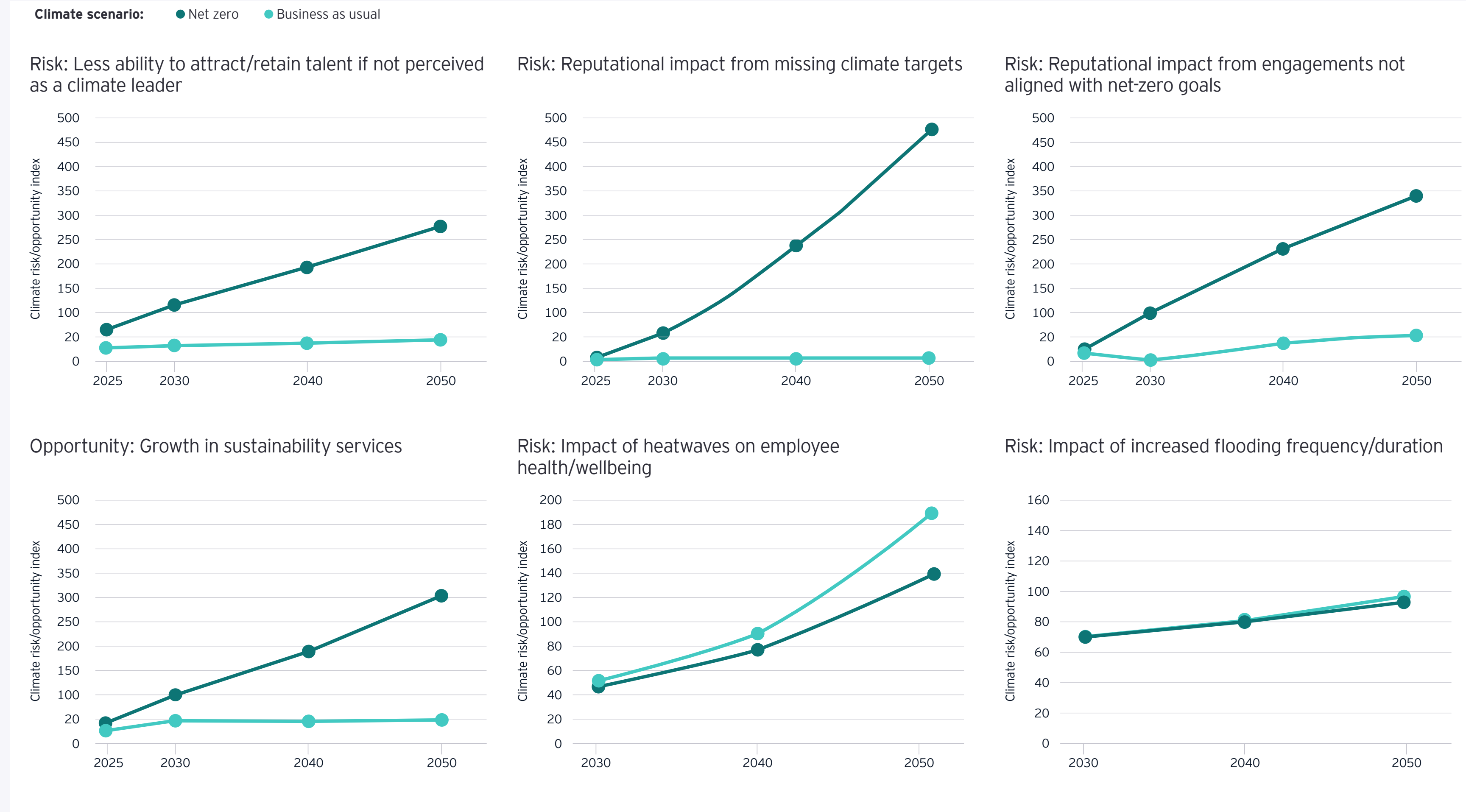
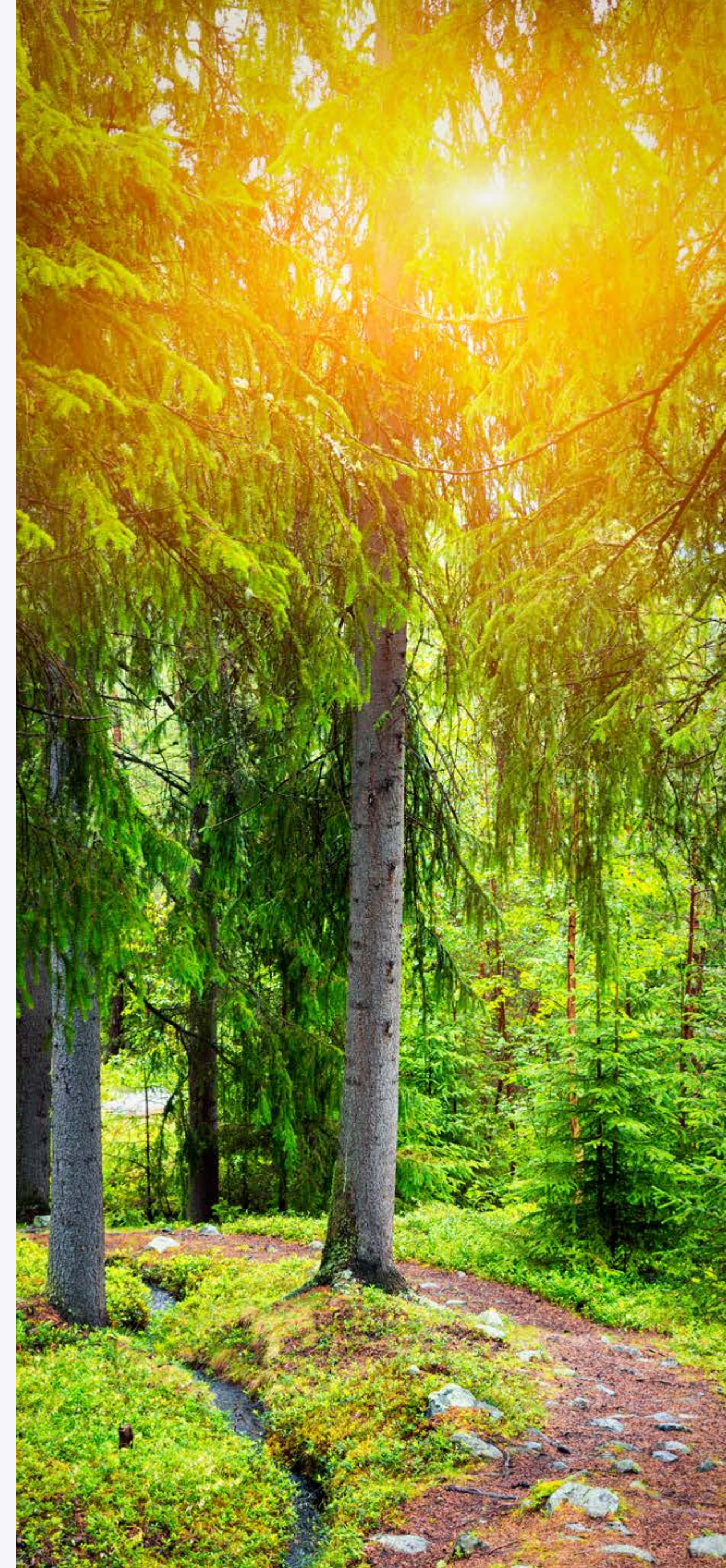


Fig. 1. EY scenario-based climate risks and opportunities



Note: Physical risks were assessed using IPCC AR6 models for RCP2.6 and RCP8.5 scenarios. Transition risks were assessed mostly using Network for Greening the Financial System (NGFS) scenarios. Where data was not available or appropriate, IEA scenarios were used. Numbers are indexed to 100 based on the average dollar value across scenarios (business as usual, net zero) over the available years. See Appendix 4, Climate risk methodology.





Global approach framework

The readiness assessment provided EY with a roadmap for preparing and publishing a comprehensive TNFD report in 2025 and marks a significant milestone in our environmental stewardship. The assessment process deepened our understanding of EY's nature-based dependencies, risks and opportunities, as well as the areas we aren't yet able to quantify.

We conducted nature assessments of EY real estate across the globe in FY24 for the fourth year, and for the second year utilizing the internally developed EY NAT tool. EY NAT is a geospatial tool that collects data from more than 35 nature-related maps to automate the identification of biodiversity and nature-related impacts. EY NAT calculates a priority score based on the sensitivity of the local area; higher scores indicate greater environmental sensitivity and thus exposure to risk. This is a critical first step in the TNFD process and will be integral to our global assessment.

Strategy

The readiness assessment was concluded in FY24 and is being integrated within the development of our new environment strategy to be published in FY25. This strategic evaluation was instrumental in identifying EY's specific risks and opportunities related to natural capital. As a result, we pinpointed priority areas that could enable action within our value-chain now and in the near future.

Metrics and targets

Our readiness assessment provided a clear understanding of the TNFD metrics that we are currently equipped to disclose, as well as highlighted the areas in which further work is needed to enhance our reporting practices. This understanding is vital as we continue to increase the transparency and impact of EY environmental reporting.

Long-term environmental ambition

By leveraging the TNFD framework, we have identified future metrics and targets that can be integrated into our long-term environmental ambition. Some of the metrics are shared below in the metrics and targets section of this report, but EY will spend the next year building out more metrics to set a baseline for future target-setting efforts. These metrics and targets are designed to not only reflect our current state but also to guide our progress toward more ambitious environmental goals.

A key finding of the readiness assessment was the need for a refined governance strategy that incorporates nature-related risks. One outcome of this finding is the creation of the Sustainability Technical Panel (see *Environmental governance*, page 7) which will provide direction for addressing nature-related topics to help ensure that EY environmental governance is both proactive and adaptive.

Our global interface with sensitive natural areas

As part of assessing our direct impacts, our interface with sensitive natural areas is a key area for us to effectively plan and respond to potential physical risks, such as sea level rise, water scarcity, climate shocks and flooding.

The EY organization could face reputational risks if member firm business operations were to impact key biodiversity areas (KBA) or areas of cultural significance for Indigenous Peoples, First Nations people or local communities.

Respect for the cultural heritage of Indigenous communities is important to us as an organization. This necessitates a nuanced approach that considers local traditions, practices and community willingness to share potentially sensitive information.

Our most material impacts on nature occur within our upstream and downstream value chain

We have direct and indirect impacts and dependencies on nature. "Direct impacts" refer to the immediate effects that an organization's activities have on nature, while an indirect interface occurs upstream and downstream through the services and supply chain. EY direct impacts include scope 1 and 2 emissions, water consumption, waste generation, and the land footprint of offices.

Indirect impacts are associated with the sourcing, manufacturing and distribution of the products EY people need to do their jobs, including electricity and other fuels, paper, and office supplies, IT assets, construction materials, and food products. Additionally, services delivered by EY teams reflect an indirect interface.

The readiness assessment provides a launch point for setting targets across the direct impacts EY currently has on nature. Biodiversity footprinting shows that EY has an overall low impact on nature within EY member firms' direct operations. EY will continue to focus on key areas of direct impact while giving greater attention to quantifying and lowering the indirect impacts resulting from the production and distribution of the resources we procure and use. This is a key action step for our environmental ambition.

Material nature risks and opportunities

Nature-related risks arise when natural resources are degraded or depleted, which could result in supply chain disruption, increased operational costs or impacts on society that affect the organization. If businesses harm nature, they risk litigation by stakeholders and reputational damage, which could result in client losses or challenges to attracting top talent.

Nature-related opportunities arise from activities to avoid, reduce, mitigate or manage nature-related risks. There are also opportunities to halt or reverse nature loss by transforming business models. In so doing, organizations can differentiate themselves from competitors and become better positioned to tap into new markets, attract new clients and retain top talent.

EY is exposed to material nature-related risks and opportunities throughout our entire value chain, from the daily functioning of our offices to the goods we procure and services we deliver. Our pilot identified 33 nature-related risks and opportunities. The readiness assessment did not quantify the risks but did rank them on materiality to EY. Ten material risks and five material opportunities emerged from this comprehensive list.

Understanding our dependencies on nature not only allows us to manage potential risks but also illustrates the compelling business case for investing in efforts to halt and reverse nature loss. EY depends on:

- Energy to keep the lights on, power our computers and connect our people
- Access to clean water for our people's health and for office sanitation purposes
- Land available for new and existing offices
- Safe and stable air quality and weather to sustain business continuity and our people's wellbeing
- Cost-effective and reliable supply of office supplies and IT assets, such as laptops and paper

Fig. 2. Nature-based risks

Risk type	Category	Risk description	TCFD intersection
Physical	Acute and chronic	Increased intensity, frequency and/or duration of extreme weather events, including storms, flooding and forest fires, impacting office buildings and public infrastructure (including critical utilities).	✓
Physical	Acute and chronic	Increased temperatures leading to heightened risk for employee health and wellbeing, resulting in productivity reduction to business operations.	✓
Systemic	Ecosystem collapse	Failure to achieve the economy scale transition required to halt and reverse nature decline, resulting in systemic failure of essential ecosystem services upon which human prosperity and well-being rely.	
Systemic	Ecosystem collapse and market	Systemic failure of critical ecosystem services negatively impacts our clients' business operations, impacting their profits and thus ability to engage EY services.	
Systemic	Contagion	Disruption to EY's direct operations, supply chain and clients due to an outbreak of a zoonotic pathogen that presents a significant risk to human health and safety.	
Transition	Market	Service lines duplicate or fail to build the appropriate skills and capabilities to deliver high quality ESG services due to lack of clarity and governance, resulting in failure to win engagements and difficulty attracting/retaining top talent.	
Transition	Market and reputation	Failure to embed a market-leading nature strategy into business practices and strategic decision-making results in inadequate nature-related risk management and failure to achieve opportunities.	
Transition	Reputation	Reputational damage resulting from greenwashing allegations or other negative public sentiments due to EY delivering services that do not match our nature commitments.	
Transition	Reputation	Reputational damage and poor public perception if EY teams provide services to client that have material impacts on nature leading to negative media coverage.	✓
Transition	Reputation	Inability to attract or retain talent due to negative reputation of EY's nature-related performance.	✓

Fig. 3. Nature-based opportunities

Opportunity type	Category	Opportunity description	TCFD intersection
Transition	Reputation	Improved ability to attract or retain talent due to EY's reputation as a nature leader, resulting in reduced labor costs.	✓
Transition	Market and reputation	Successful integration of a market-leading nature strategy into EY's business practices and strategic decision-making enhances risk management capabilities and unlocks nature-related opportunities, positioning EY as an industry leader in the nature-positive transition.	
Transition	Market, products and services	Increasing opportunities to support new and existing clients with their nature-related client services.	✓
Transition	Products and services	Strategic cross-service line collaborations facilitate delivery of innovative, market leading professional services to address our clients' complex nature-related challenges differentiates EY from its competitors.	
Transition	Reputation, ecosystem protection, restoration and regeneration	Delivering positive impacts on nature through investment in nature-based solutions, including strategic integration of the organization's climate, nature and human rights initiatives (e.g., prioritization of nature-based carbon offset projects) or philanthropic investments through EY Ripples or the EY Foundation.	





Service risks and opportunities

EY depends on a thriving economy that can sustain organizational growth and prosperity over the long term. We recognize that the global economy is systemically dependent on nature and ecosystem services. Consequently, failure to achieve the economy-scale transition required to avoid the systemic failure of essential ecosystem services upon which society relies, would create a significant risk to EY businesses, people and clients.

At the same time, nearly half of EY global revenues are linked to sectors with high nature impact. As a result, the most material and nature-based risks and opportunities relate to EY client services.

Client services risk

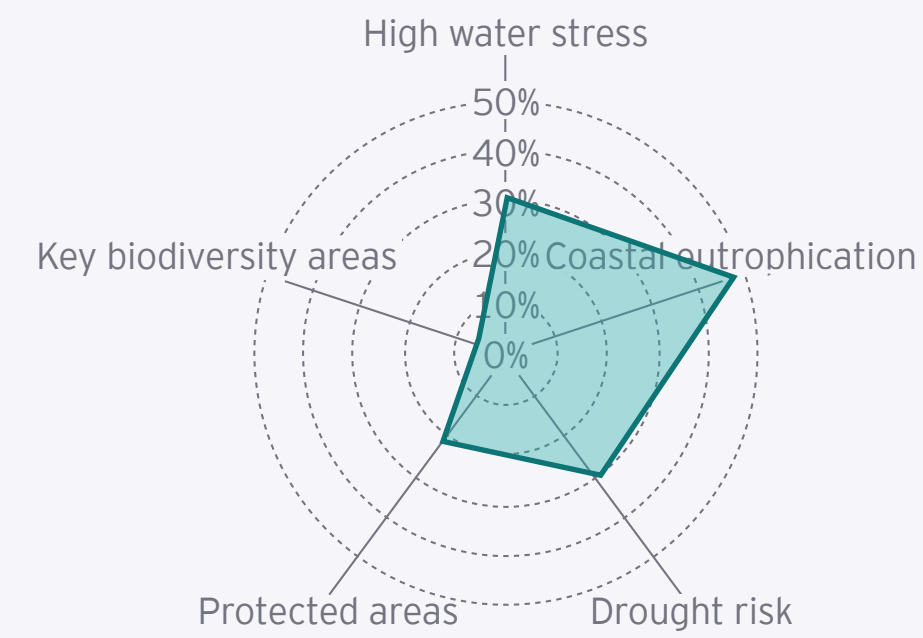
EY member firms provide services to clients across every sector in almost every part of the world. These services help EY clients grow and perform their business activities, indirectly facilitating impacts on nature both positively and negatively.

Thirty percent of EY global revenues are tied to sectors with very high or high dependencies on nature (see Fig. 4). If we focus on the set of the largest priority EY clients, this increases to 48%.

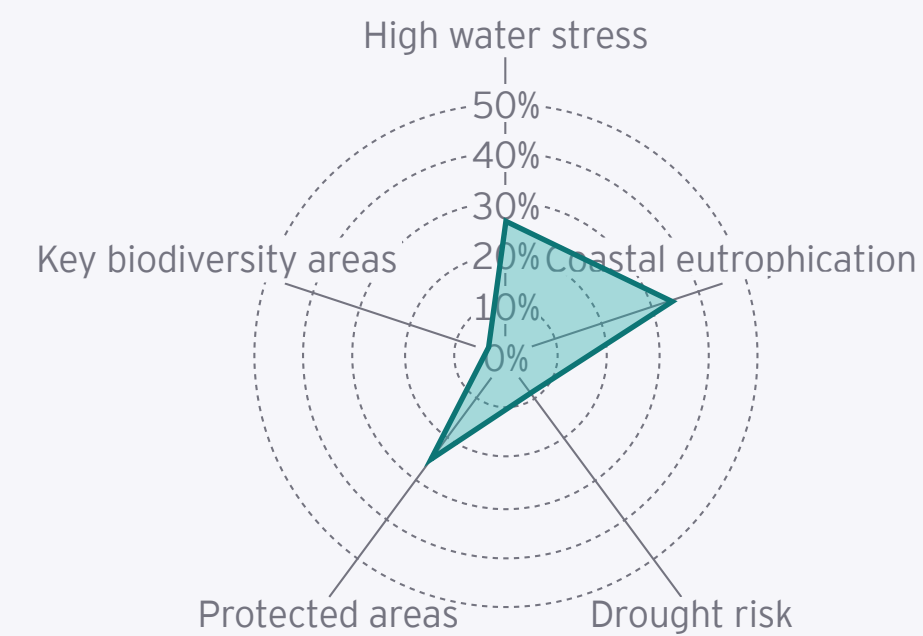
Nature performance will increasingly play a critical role in overall business success. We could face a reputational risk from serving clients or accessing suppliers who are perceived to be poorly managing their impacts on nature. This may negatively influence our ability to retain and attract top talent or win client engagements.

Fig. 4. EY site intersections with nature

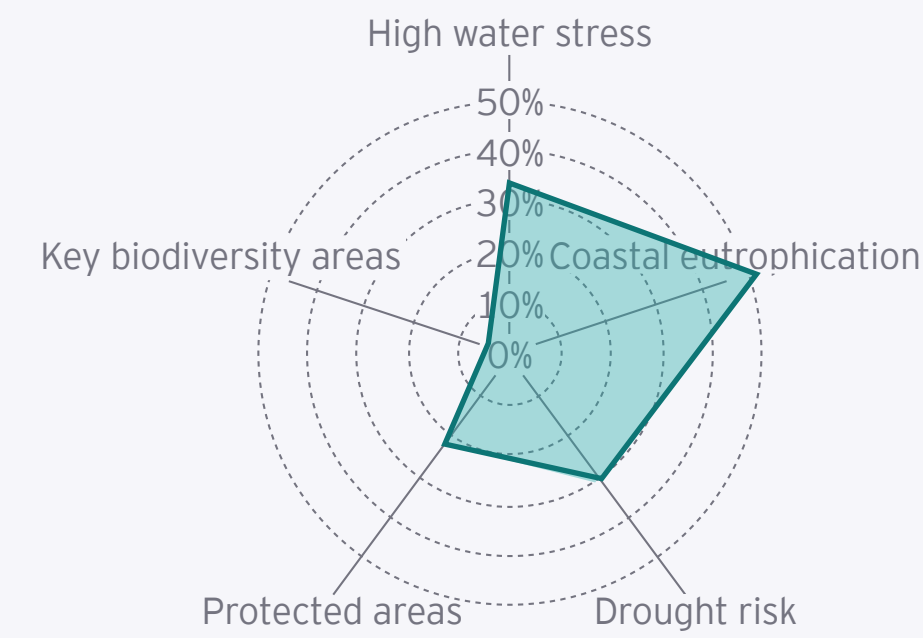
Global



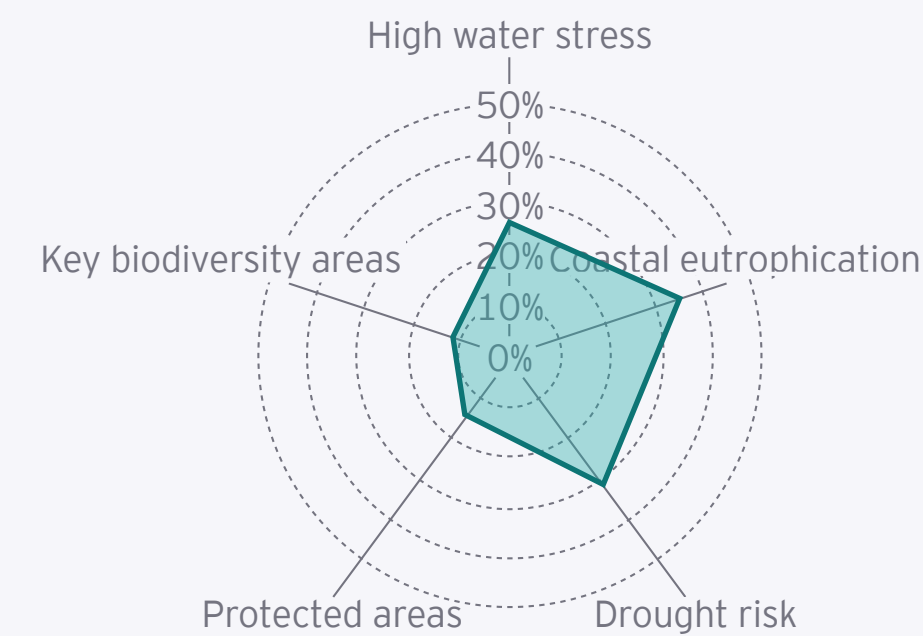
Americas



EMEIA

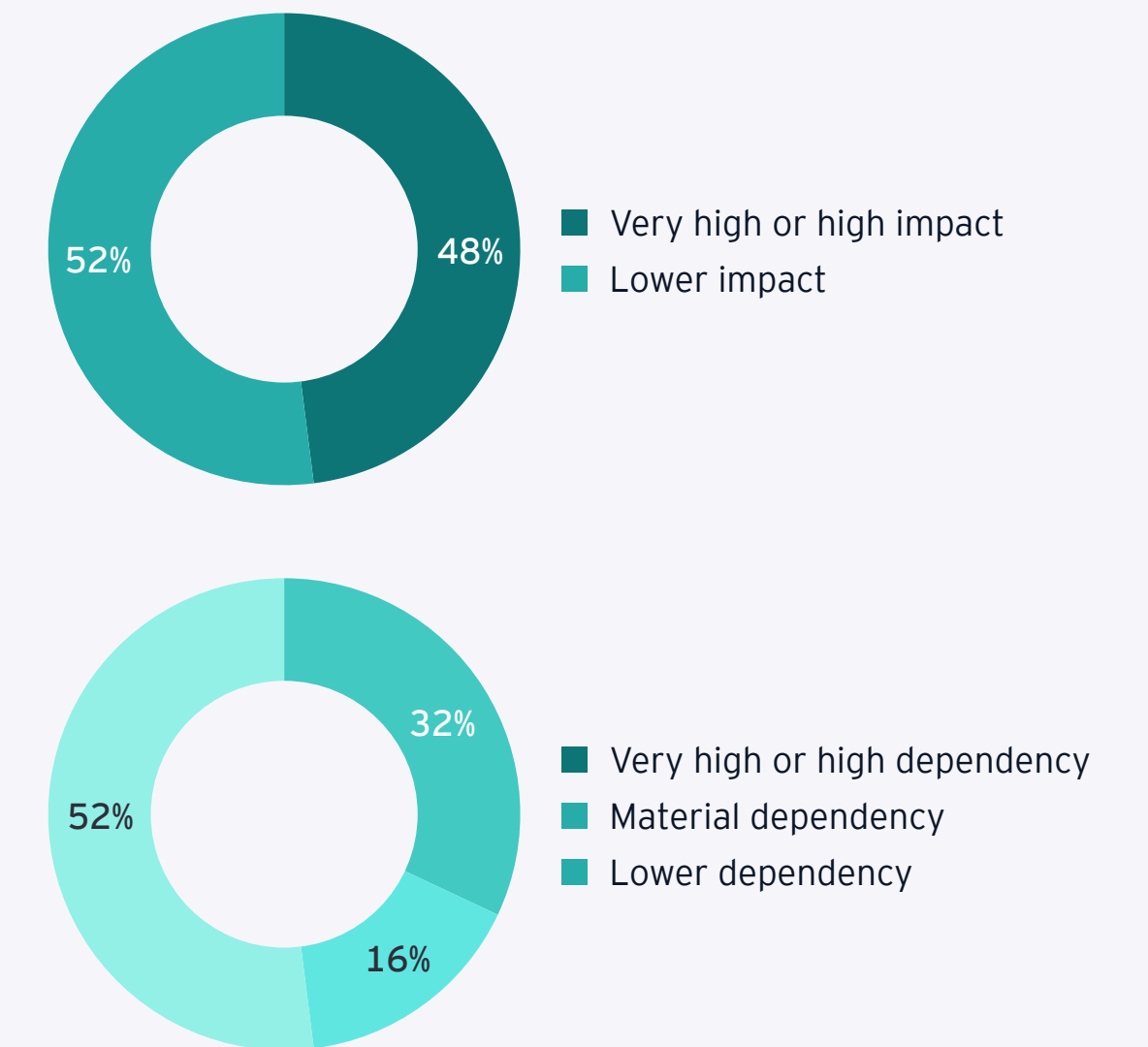


Asia Pacific



Note: Percentages refer to the number of EY sites, including offices, co-working spaces, and data centers within 1 km of an area with a specified nature risk. The analysis was conducted for the EY preliminary TNFD assessment using EY NAT data.

Fig. 5. Global revenues from sectors with high impacts and dependencies on nature (FY23)



Note A: Our analysis indicates 100% revenue is associated with moderate, high or very high impacts on nature.

Note B: "Material indirect dependency" reflects revenue sourced from the financial sector that is dependent on nature. This assumes that 45% of our revenue from financial sector clients are highly dependent on nature. This assumption is based on market research analysis on financial portfolio's dependencies on nature.

Client services opportunity

With a large presence across sectors and in markets globally, EY will leverage this position to convene and advise on the transition to a nature-positive future. It is crucial we continue to promote transparency, prioritize sustainable sourcing and proactively support our clients to reduce their impacts on nature.

The provision of services to support clients in achieving their nature-related objectives represents a growing opportunity for EY. Several factors are driving this opportunity, including:

- A growing intergovernmental focus on the global biodiversity crisis, as represented by the adoption by over 190 countries of the Kunming-Montreal Global Biodiversity Framework in December 2022, with the associated goal of preserving 30% of the planet's land and water for nature by 2030, and the continuing COP process focused on progressing targets and implementation of the Paris Agreement
- Increased regulatory and voluntary expectations for corporate reporting on nature impacts, such as the CSRD, TNFD, and ISSB frameworks
- Recognition of the importance of nature and nature-based solutions in achieving the corporate climate objectives and addressing the climate crisis
- Need to improve operational and supply chain resilience to environmental disruptions
- Increasing stakeholder focus on interrelated nature-climate-social impacts

EY offices with greatest climate physical risks and nature intersections



Our integrated response to environmental risks and opportunities

The risks and opportunities related to climate and nature are interlinked and overlap in both their causes and impacts; together they comprise the environmental risks and opportunities that are the focus of this report.

Similarly, our response takes an integrated environmental view focused on two overarching categories:

- Transition risks and opportunities: the financial upside and downside risks associated with stakeholder expectations and actions for realizing the transition to a net-zero and nature-positive economy
- Physical risks: the direct risks to EY people, offices and business resilience from environmental impacts due to climate change and nature losses, and the impacts with broader systemic implications

Our integrated response to these risks and opportunities begins with our robust, science-based targets (see Metrics and targets, p. 29) to meet stakeholder expectations for action by our global network, one of the largest professional services organizations, and to contribute to the achievement of Paris-aligned and Montreal-aligned goals for climate and nature, respectively.

Our response: environmental transition risks and opportunities

Stakeholder expectations and actions drive environmental transition risks and opportunities. Private and public sector organizations are acting on their own assessment of environmental risks. Markets, systems and sectors are being transformed by growing environmental imperatives and opportunities.

This creates an opportunity for the EY member firms to provide sustainability and sustainability-linked services. Winning this work depends on reputation, which is built on attracting and retaining the best talent, developing the skill sets and services to deliver in the market, and authentically and transparently pursuing environmental goals that support the net-zero and nature-positive transition.

Transparency

In *EY Value Realized 2024*, we share the impact we have on our stakeholders – EY people, clients and society – as we execute on our strategy and ambition to create long-term value as the world’s most trusted, distinctive professional services organization.

For the last three years, this report has aligned with the World Economic Forum’s International Business Council (WEF-IBC) Stakeholder Capitalism metrics, a collaboration EY helped lead to bring a private-sector voice to the importance of reporting on sustainability issues in a consistent and comparable way. We have expanded our WEF-IBC disclosures year over year, in addition to reporting against other frameworks such as the TCFD, TNFD and CDP.

The EY organization is preparing to respond to new reporting requirements around the world through the frameworks of the IFRS International Sustainability Standards Board (ISSB) and the EU Corporate Sustainability Reporting Directive (CSRD).

Sustainability services leadership

Our continuing investment in developing EY sustainability services represents a central pillar of our response to environmental upside and downside transition risks.

As one of the largest global professional services organizations, we can both pursue new revenue opportunities through sustainability services and contribute to achieving the net-zero and nature positive scenarios that will reduce risks to our people and communities globally.

The reputational benefits of establishing a leading position in sustainability services can drive employee engagement and retention and help attract the best talent to our global organization.

For over 20 years, EY has grown sustainability-related skills, services and solutions to meet client needs, informed by the evolving understanding of the science, and its implications for society. The combined 4,000 EY sustainability specialists worldwide in FY24 have been augmented with targeted acquisitions in Europe and ASEAN that brought to the organization a further 200 professionals focused on climate change and reporting.

EY teams have supported over 12,000 clients in driving change at scale through a full spectrum of sustainability services, including:

- Specialist sustainability skills-led services, including nature and biodiversity, sustainability tax, digital sustainability services, emissions management, nature and biodiversity, financing and incentives and climate risk
- Regulatory and reporting services to support the complex and evolving requirements across multiple jurisdictions (e.g., CSRD, California Climate Corporate Data Accountability Act) and voluntary frameworks (e.g., TCFD, ISSB, CDP, GRI)
- Strategy and transformation focused on multidisciplinary and sector-specific sustainability-led transformation, spanning strategy, operations, risk, technology, data, talent and finance
- Sustainability-infused services, where our wider end-to-end services portfolio can respond to sustainability triggers and pathways for clients

Technology enablement

Building a market-leading sustainability technology solution portfolio is critical to our work. Having the right data and being able to access it plays a central role enabling client reporting, performance management, net-zero transformation planning, sustainable supply chain monitoring and operations.

We continue to grow a market-leading sustainability technology portfolio, integrating AI, cloud computing, IIoT, and space tech. Technology collaborations with our alliance ecosystem including IBM, Microsoft, SAP, ServiceNow, Enablon and Wolters Kluwer power our services. In 2024, Microsoft named EY as its Sustainability Changemaker of the year for our work with over 100 customers on decarbonization strategies and environmental goals. CCoSS is leading the development of proofs of concept for AI-integrated tools supporting clients in regulation analysis, gap assessment, disclosures and risk analysis.

EY sustainability services leadership

- “#1 Leader” in the 2024 *Verdantix Green Quadrant: ESG & Consulting* report
- “Leader” in both the 2024 *IDC MarketScape: ESG/Sustainability Consulting Services report* and the *IDC MarketScape: Worldwide ESG Program Management Services 2023-2024 Vendor Assessment*

EY Ripples

EY Ripples is another pillar of our response to environmental risks and opportunities. Thousands of EY people devote their time to SDG-focused projects every year, bringing together the combined skills, knowledge and experience of the global EY organization in pursuit of one shared vision: to positively impact 1 billion lives by 2030. EY Ripples supports our reputation by manifesting our purpose of building a better world, sponsors projects which contribute to the net-zero transition and protect nature and enables our people to act on shared environmental values.

At the same time, across EY, we continue to challenge ourselves to embed responsibility, inclusiveness and sustainability more deeply in everything we do.

64m

**lives impacted by EY
people's participation
in 2024**

The EY Ripples program includes a focus on activities that accelerate adoption of new models, technologies and behaviors that protect and regenerate the environment, and unlock economic opportunities in transitioning to a circular, regenerative economy. Around the world, EY teams are contributing through:

- **EY professional support:** EY professionals work with organizations, including environmentally focused nonprofits and impact enterprises, to help improve their sustainability, resilience and capacity to scale innovative answers to the climate emergency. EY people also provide leader mentoring and coaching, and serve on organization boards, to support them in addressing their biggest challenges and opportunities.
- **Future leader workshops:** EY people lead action-oriented workshops to help bolster future leaders' environmental literacy and strengthen their sense of agency. EY teams work with university students to channel Gen Z's passion and creativity toward generating breakthrough ideas and run workshops with businesses and community groups.
- **Citizen science:** EY people proudly support professional research projects, contributing to the timely collection and analysis of invaluable data for shaping environmental policy and strategy. The annual EY Open Science Data Challenge engages both EY people and external teams of young people in creating solutions to sustainability-related challenges (see Satellite data and AI for good, p. 23).
- **EY Sustainability Skills Labs:** The sustainability skills labs are designed to support nonprofit and impact organizations as they drive design and implement ESG action across their own businesses and areas of impact.

Climate and sustainability training and engagement

We believe that understanding the central issues of sustainability is critical to empowering our people to be change agents in business and deliver leading sustainability services. That's why we continue to invest in EY people to build their understanding of the risks and opportunities associated with a net-zero future, the environmental and social impacts of climate change, biodiversity, and other key issues. EY has activated an organization-wide upskilling program with a range of initiatives and formats:

- **SustainabilityNow:** an introductory learning module designed to build confidence and understanding of the major topics in sustainability and climate change, including key issues at the heart of sustainability, EY's sustainability journey, client engagement, and making a difference individually. More than 83,000 EY people have completed SustainabilityNow.
- **Sustainability and ESG EY Badges:** a domain-based, guided learning program designed to equip employees with the knowledge, strategies and tools to recommend sustainable solutions and create long-term value for EY clients, people, and society. Over 11,300 Sustainability Badges were awarded – representing over 48,000 learning hours – last year.
- **Global Executive Sustainability and ESG Series:** A four-module learning series for senior ranks designed to equip them with the latest in sustainability topics as it relates to our client work. The module features a range of faculty including perspectives from external industry experts, EY service line and sector leadership, as well as several EY clients facing sustainability challenges.



Communities of action

EY's communities of action are instrumental in enhancing our organization's sustainability mindset and culture as well as spurring self-organizing action and innovation to accelerate the net zero and nature-positive transition within EY and in the world:

- **Sustainability@EY:** an internal community of action with more than 5,000 EY people – 50% at junior levels of the organization – that conducts quarterly updates on key sustainability developments and reports from major events, such as COP and Davos.
- **Sustainability Leaders Network:** an internal network engaging with over 900 leaders organization-wide on a monthly and quarterly basis to brief them on key developments and share regional and local perspectives on how sustainability is influencing client and policy agendas.
- **Eco-Innovators:** an employee-led ground-up network of over 3,700 EY people worldwide, staffed by passionate volunteers whose mission is to use smart thinking and smart technology to solve the climate and ecological crisis. The network connects EY people from all service lines to learn and exchange experiences on sustainability's impact on people and business.

Policy monitoring

The EY public policy function monitors international, national and local legislative and regulatory developments that impact member firms. In the climate space, this may include a variety of energy, tax, supply chain and climate finance-related legislation or regulations, for example. Our teams work with experts throughout the businesses to closely monitor developments and analyze proposals and legislative text for potential impacts to EY member firms and their clients.

Our response: environmental physical risks

As a global professional services organization with 400,000 people, many of our environmental impacts and risks center on the offices where we work. The energy needed for heating, cooling and powering equipment, material build-out, and site location all drive impacts. Risks arise from the climate and nature effects described above.

EY real estate environmental strategy

EY Real Estate Services is part of the EY Supply Chain Services internal function. It coordinates the siting and procurement of office space and incorporates sustainable business practices to advance the EY environmental ambition.

Our real estate strategy supports the EY global environmental ambition by prioritizing occupancy in energy-efficient buildings, implementing sustainable design principles, and transitioning to renewable energy sources. Nature considerations are integral to siting decisions. Key component of the strategy include:

- **Building standards:** We seek properties that meet or have the potential to meet recognized building certifications such as LEED, BREEAM, Green Star or equivalent, and WELL.
- **Location efficiency:** We prioritize locations that are accessible by public transportation, reducing the need for personal vehicle use and thereby lowering greenhouse gas emissions. This includes walkability, and support for alternative transportation methods such as cycling.

- **Climate resilience:** Sites are evaluated for their resilience to climate change impacts, including extreme weather events and long-term climate shifts, such as sea level rising. We aim to minimize risk and ensure the longevity and sustainability of our investments.
- **Energy efficiency:** Sites are selected based on the potential for energy conservation and the availability of renewable energy sources.
- **Ecosystem services:** Sites are chosen with consideration for preserving natural habitats and biodiversity. We avoid locations where development would lead to significant ecological disruption or loss of ecosystem services.
- **Stakeholder engagement:** Our approach involves active collaboration with key local entities such as governmental bodies and community collectives. This engagement ensures that our choices for site selection are in harmony with overarching environmental objectives and the aspirations of the communities we serve.

EY Real Estate Services aims to have to broader positive impacts through strategic collaborations. The group collaborates with developers, architects, and urban planners who are committed to sustainable practices and encourages others to start their own decarbonization journey and commit to a science-based net-zero target.



Ways of working

Extreme weather events can harm our people and impair our ability to serve clients. Having assessed acute physical climate risks at the office level, EY employs a flexible work strategy to accommodate personnel when a member firm's operating capacity is threatened or damaged by an extreme climate event.

Our strategy includes several measures to mitigate their effects and enable operations to continue without the need for our people to be on-site to work in teams or provide service to clients, such as:

- Promoting a strong culture of remote and flexible working
- Leasing of co-working spaces, which can be used to accommodate personnel when an office building faces risks from a climate event or other natural disaster
- Deploying online working and mobile communications technologies

EY Global Risk Management

The EY Global Risk Management team monitors imminent environmental risks to EY people and offices. This team maintains robust office-level emergency response, crisis management and business continuity plans which are reviewed and tested frequently across EY member firms. For a fuller discussion of the role EY Global Risk has in mitigating environmental risk, see *Risk and impact management*, page 24.

Satellite data and AI for good

EY Space Tech

Addressing interlinked global sustainability challenges requires both a macro view of natural systems and pinpoint insight into local conditions. Satellites provide this big-picture and close-up perspective of Earth, generating rich data on the environment and how it's changing. AI enables timely insights to be drawn from the petabytes of Earth observation data beamed down from satellites daily. EY is bringing these technologies together to help clients achieve their sustainability objectives and to engage the best minds on global challenges.

EY Space for Earth: helping clients meet sustainability and resilience challenges

EY Space for Earth monitors all kinds of things on Earth, revealing information that cannot be seen by the human eye - from urban infrastructure to remote assets, weeds to water leaks, and bushfires to biodiversity. EY Space for Earth helps gather tailored insights for better decision-making. Applications include:

- **Reducing infrastructure risk**, such as helping rail operators to baseline and understand the resilience of their infrastructure to climate risks

- **Monitoring land rehabilitation**, including helping mining operators monitor rehabilitation of decommissioned sites more efficiently and comply with regulation
- **Improving water security**, by helping water authorities detect leaks from space, reducing water loss, maintenance costs and risks to employees from field work

EY Open Science Data Challenge: driving engagement with global challenges

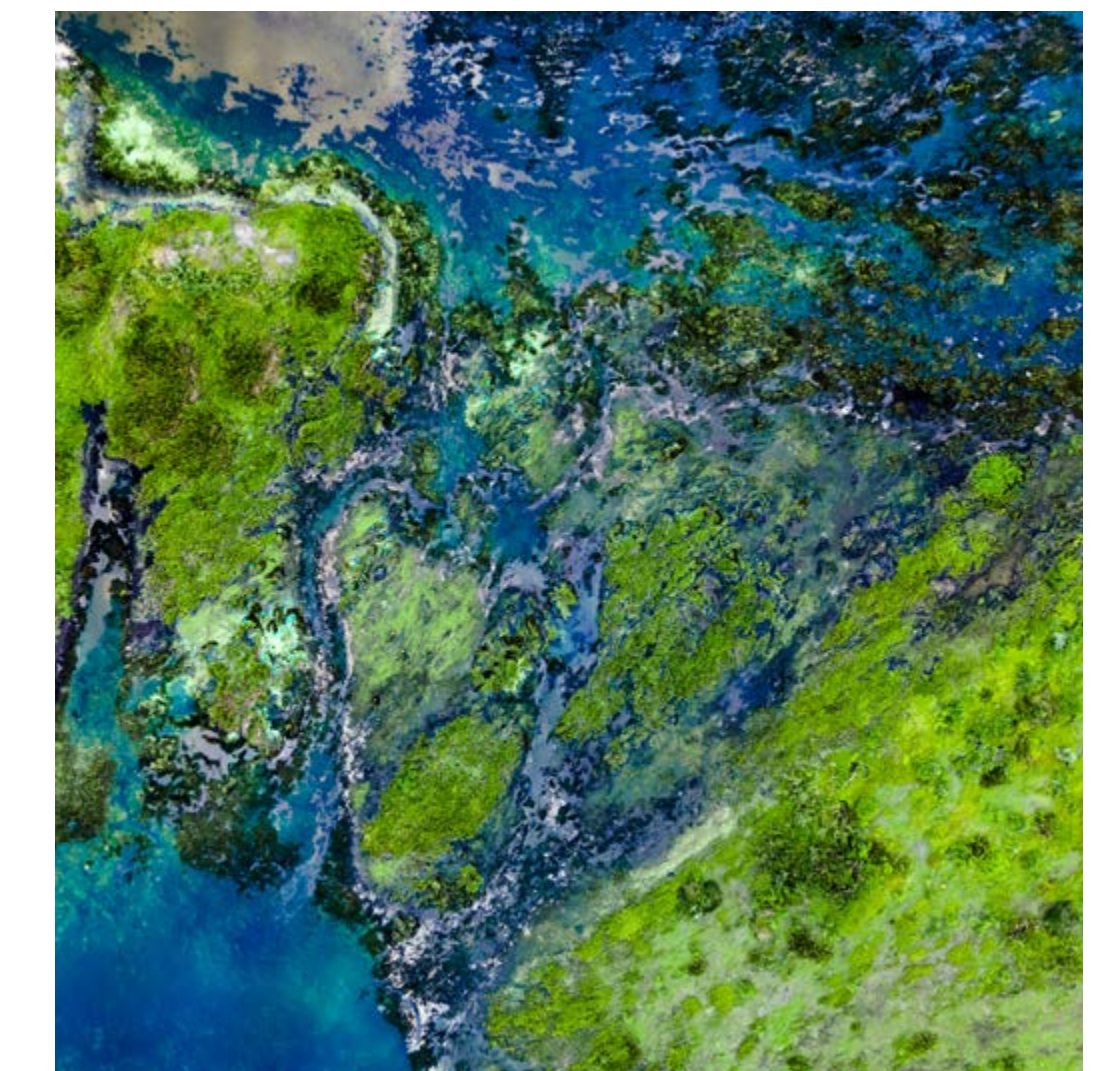
The EY Open Science Data Challenge is an annual competition that gives university students, early career professionals and EY people the opportunity to develop data models using satellite Earth observation data and artificial intelligence to create open-source solutions that address critical climate and nature issues.

Since 2021, over 34,000 participants from 143 countries have signed on to tackle pressing issues such as preserving biodiversity, addressing global hunger, managing wildfires and detecting storm damage. Their skills, creativity and vision are helping to shape a more stable and sustainable future for society and the planet.

The 2025 challenge focuses on the urban heat island effect. Participants will use satellite data and AI to create



urban micro-climate models to raise awareness of the problem and to illustrate the heat effects of building density, surface coatings, and green space to inform urban planning.



Resilience

RISK AND IMPACT MANAGEMENT

The environment in which an EY member firm operates creates a broad range of diverse risks.

Effective management of these risks is critical to safeguarding the EY network and delivering on our purpose, strategy and ambition. EY has a robust enterprise risk management (ERM) program to identify, assess, mitigate and monitor the key network risks it faces.

The RMEC (see *Environmental governance*, page 7, for further information on RMEC) provides coordination and monitoring of the effectiveness and operation of the key risk mitigation activities. RMEC is chaired by the EY Global Risk Management Leader. It includes representatives from EY Risk Management teams, IT, Service Line Quality and Area Risk Management.

The RMEC's primary mandate is to coordinate EY functions impacting the EY brand through quality and risk management which together contribute to shaping the future with confidence and trust creation by protecting the organization while enabling purposeful growth within the organization's appetite for risk. To this end, it meets regularly to tackle an agenda including both risk and assurance activities.

EY ERM Program

The EY organization takes a comprehensive and forward-looking approach to the enterprise risk management process that seeks to protect and enhance the EY organization's positioning in the market.

The EY ERM program supports the EY organization globally to identify, manage and monitor risk, including those associated with ESG. It provides coordinated engagement,

support and assistance to member firms on independence, conflicts, compliance, regulatory policy, and security issues. Given the fluid and multidimensional ways in which risk can materialize in any jurisdiction, the EY organization benefits from a wide-ranging network of professionals that can rapidly respond as and when needed.

Engagement across Global, Area, Region and member firm levels is critical within the ERM program to identify and actively monitor matters in as close to real time as possible. The EY global risk categories are assessed through regular senior business leadership reviews and include ESG risks.

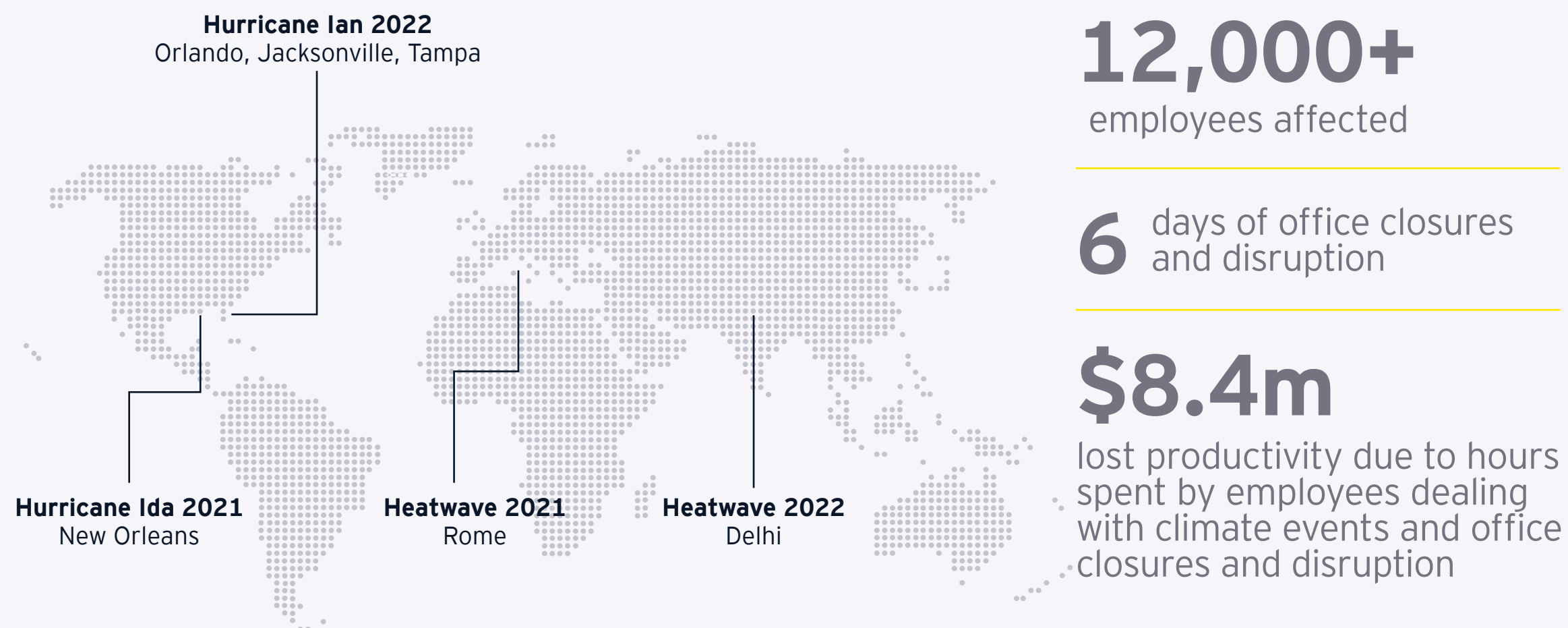
Through ongoing internal consultation, the ESG risk category has been further developed to include a range of specific risks considering strategy execution, regulatory compliance, climate risk, market relevance, additional third-party acceptance and continuance criteria and employee sentiment. The identification of these risks was informed by the EY Global TCFD assessment and pilot TNFD assessment and is inclusive of them in a broader ESG view.

The EY organization utilizes Archer, a tech-enabled risk management solution, to manage the planning, monitoring and mitigation of each key risk category within ERM.

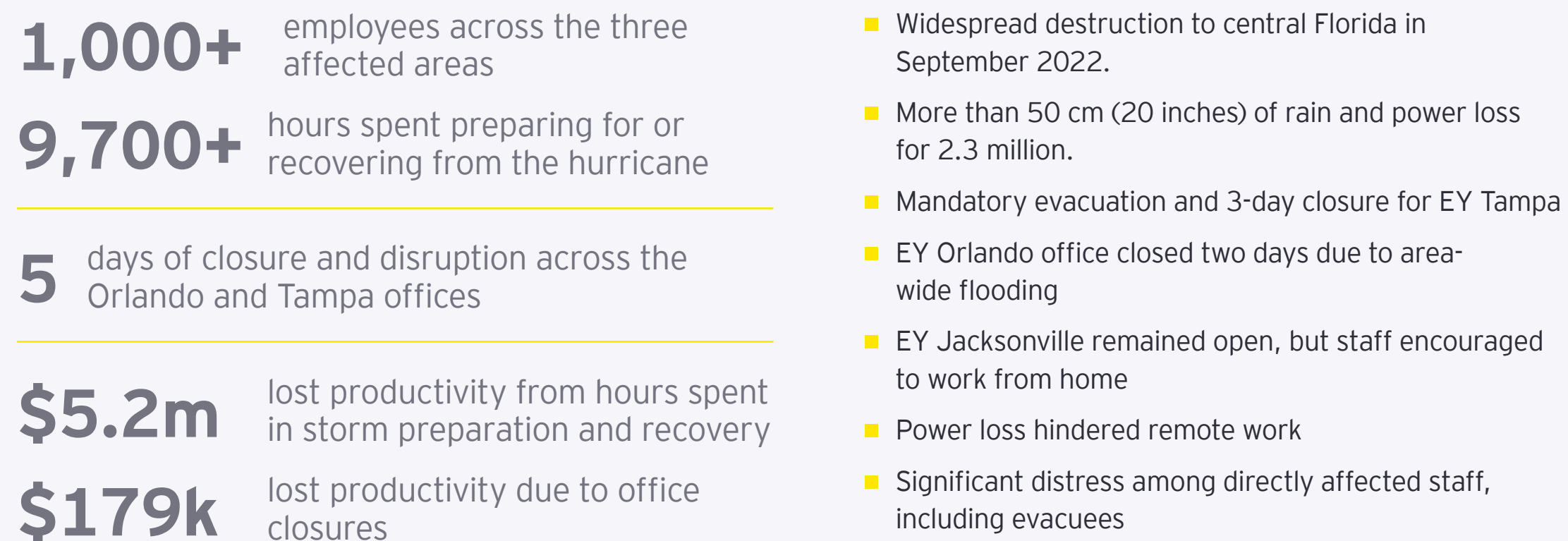
Real business

Office climate risk case study

EY conducted an analysis of the impact of four recent climate events on member firm offices and staff to provide insights for improving risk management and resilience



Case study: Hurricane Ian 2022 – Orlando, Jacksonville and Tampa



Key observations

The research conducted with the four offices highlighted the importance of the following actions to maintaining the welfare of EY people and business resilience:

- Robust training on/use of mass notification systems for proactive and timely communication with all staff is essential during the climate event and its aftermath
- Incorporating a dynamic online employee survey into crisis management plans to help local leaders better understand and respond to the immediate needs of affected staff
- Leveraging talent resources for strategic support during crises, such as research available resources and tracking staff during evacuations
- Ensuring all offices have a dedicated business continuity plan and crisis management plan
- A dedicated one-stop local internal site for crisis management resources
- Improving strategies and tech solutions for staff tracking
- Establishing a specific charge code for time spent dealing with the event's impact to enable more efficient tracking

The top three reasons for charging hours to the code for climate events in offices affected by hurricanes were: 1) power disruptions, 2) activities related to filing insurance claims, and 3) post-event clean-up.

Total productivity costs are understated due to data limitations at the EY Delhi office.





EY Global Security

EY Global Security is part of the EY Global Risk Management function. It safeguards EY people, reputation, assets and intellectual property against natural disasters and human-caused security threats through risk reduction, elevated security awareness and implementation of leading security practices through a seven-discipline framework.

Three disciplines in this framework are particularly relevant to environmental risk management: Business Resilience, Security Threat & Risk, and Technology, Assurance, Risk and Policy

Business Resilience

The Business Resilience function focuses on planning ahead for business disruptions. It puts strategies in place, such as our Crisis Management and Business Continuity program, so the organization can continue operating and recover as quickly as possible from adverse events, including climate-driven ones.

A network of over 50 regional security managers (RSMs) works to ensure that crisis management plans and business continuity plans are in place in each office to protect EY people, assets and operations. Business Resilience prepares and trains local teams for scenarios such as flooding, hurricanes and other extreme weather and creates awareness of climate risks.

Resilience@EY was launched in FY24 to formalize an agile holistic forward-leaning approach to enterprise resilience that improves EY's ability to anticipate adverse events, coordinate the response and recovery, and meet the expectations of the business and our clients.

Security Threat & Risk

The Security Threat & Risk function is responsible for creating and disseminating intelligence products regarding threats facing the organization. It identifies and collects data on risks facing EY around the world, inclusive of natural disasters, and elevates awareness of them within the organization to mitigate adverse impacts to EY people, operations, assets and reputation.

A three-pronged approach:

- Security & Travel Intelligence Center (STIC), a 24x7 virtual operations center that monitors and manages vendor data feeds and sends incident alerts to RSMs and other stakeholders.
- Dedicated threat analysts in each EY Area (the Americas, EMEIA and Asia-Pacific) who provide strategic reporting regarding emerging threats and broader geopolitical trends, as well as deep-dive reports on trends or locations.
- Two-way channel of communications with all RSMs, security and travel teams, and key stakeholders throughout EY to refine global situational awareness.

Technology, Assurance, Risk and Policy

The Technology, Assurance, Risk and Policy (TARP) team provides EY with a holistic view of top technology risks and emerging threats by aligning to EY's risk methodology, sponsoring service improvements and providing risk advisory services to reduce risk, empower simplification, and enable streamlined client delivery.

Environmental risks, including extreme weather and fire, are one of top risk categories in the IT Risk Universe considered under the Enterprise Operations category. This prioritization of environmental risks allows EY to allocate multi-disciplinary resources from across the global organization to develop and implement strategies to reduce its exposure and mitigate the impact from these risks.

Environmental IT risks are monitored and assessed by EY's IT Risk Intelligence program and EY Global Security by a two-part process:

- **Scan:** Identify and dynamically monitor environmental risks for opportunities and challenges. Assess the probability of an environmental risk to EY operations by continually monitoring environmental risks through geopolitical, country, regulatory and societal lenses.
- **Focus:** Assess the impact of environmental risks on the use of IT and on EY's global footprint.

Environmental IT risks are mitigated through the following processes:

- The Technology Business Continuity program focuses on environmental risks as potential scenarios in robust business continuity planning and tabletop exercises.
- The Technology Crisis Management program has a strategy in place to effectively manage an impending crisis resulting from an environmentally driven IT risk, which includes performing rapid assessments to understand how resilient EY assets and systems are at that moment.
- Act, the third stage of our IT risk intelligence methodology, develops recommended steps to manage environmental risks in a holistic and cross-functional manner at the operational and strategic level.

EY re-valuates the prioritization of risks in our IT Risk Universe annually to revalidate how risks are addressed.

Supplier risk

EY Supply Chain Services (SCS) provides strategic purchasing and business services for EY internally. SCS has made strides in identifying and mitigating ESG risks from our procurement activities and have established KPIs for measuring continuing progress.

Mapping risk and supplier selection

In 2021, the EY Environmental Social Governance Services (ESGS) function within SCS worked with CCASS to build an ESG risk tool using EY supplier data. The tool enabled us to understand our greatest risks overall and per product or service. We then used this data to build the EY Sustainable Sourcing Framework, a practical guide for sourcing managers on how to integrate ESG considerations into Requests for Proposals and information requests, as well as supplier selection. The framework includes a core set of questions that should be asked of every supplier and additional questions for specific products and services based on risks identified in the ESG Risk Tool.

Fig. 6. Supplier environmental targets and status

	KPI	Status
Science-based targets	75% of EY suppliers, by spend, to set science-based targets no later than FY25	Tracking at 61%
	Map supplier status to confirm how likely we are to meet the 2025 goal	Completed December 2023. Developed an action plan for each supplier. Met with some suppliers to encourage achieving target.
ESG supplier due diligence	Confirm supplier due diligence criteria based on regulations	Completed Q3. Now conducting a full review to verify compliance with CSRD and CSDDD, which will continue into FY25.
	Conduct an ESG assessment for high spend suppliers	Invited 150 suppliers to take part in an assessment in May 2024 to confirm ESG, human rights and DEI standards. Identified a further 60+ suppliers with EcoVadis already in place and will leverage those reports to discuss improvement areas.

Sustainability training for Supply Chain Services

SCS conducts an annual Responsible Sourcing Week, a series of training sessions primarily targeted to sourcing managers to teach them about sustainability requirements and inspire them on ESG topics. Responsible Sourcing Week FY24 reinforced our commitment to sustainability upskilling by providing EY people with the tools and knowledge necessary to navigate the evolving landscape of ESG requirements.

Additionally, all SCS professionals were required to complete online training in sustainable procurement in FY24. While 100% of SCS team members directly employed by members of the EY organization completed this training, a number of contractors have yet to undertake it as of the publishing date of this report. Overall, the training has been completed by 94% of SCS personnel.



Ambition

METRICS AND TARGETS

For EY, FY25 marks the conclusion of the carbon ambition and seven-point plan that we announced in 2021. We will be announcing a new environmental strategy over the course of this fiscal year.



Delivering
 EY

In this closing chapter of the EY Environment Report, we detail progress on what will become our legacy seven-point decarbonization plan, which has been instrumental in focusing the energy and creativity of EY people on the net-zero transition in our organization and among our clients. We are proud of our progress against the targets we set out in 2021.

Climate: Progress against our legacy seven-point plan

EY launched its decarbonization targets in January 2021 to reduce absolute emissions by 40% across Scopes 1, 2 and 3 by FY25, against an FY19 baseline, consistent with a 1.5°C reduction pathway approved by the SBTi.

Key highlights of achievements against this ambition and the seven-point plan as of FY24 are detailed in the following tables.

Fig. 7. Progress on the EY seven-point plan *(continues)*

Target	Progress
1) Business travel emissions Achieve a 35% reduction by 2025 (against our FY19 baseline)	Travel emissions remained under our FY24 limit, despite an increase in business travel post COVID-19. EY remains on track to achieve a 35% reduction in travel related GHG emissions by 2025, with sustained reductions in the proportion of air travel and 'one day' journeys.
2) Office electricity use Reduce overall office electricity use and procure 100% renewable energy for our remaining needs	Our global electricity consumption from renewable sources increased to 88%. This includes energy attribute certificates, such as renewable energy certificates, I-REC, and other renewable instruments that are RE100 compliant.
3) Electricity supply contracts Structure electricity supply contracts through virtual power purchase agreements (vPPAs), to add more renewable electricity than EY consumes to national grids	We have three virtual Power Purchase Agreements (vPPAs) which introduce more renewable electricity than we consume into national grids. EY's vPPAs in the US are with two large-scale Texas-based wind farms, which are used to address 100% electricity consumed in the US and Canada. Each wind farm generated a combined total of ~850,000MWh of renewable energy to the Texas grid during FY24. In the UK, EY utilizes green tariffs where available and has secured a solar PPA for the balance of its electricity consumption. We continue to pursue contracts laying the foundations for future vPPAs or other contracting methods as we work towards our FY25 goal.

Fig. 7. Progress on the EY seven-point plan *(continued)*

Target	Progress
<p>4) Measurement Enable EY teams to calculate and reduce the amount of carbon emitted during client work</p>	<p>The EY Sustainable Travel Approval tool is live in more than 50 EY member firms. It is a travel decision tool that supports EY's decarbonization targets by providing EY teams greater visibility to both the financial and carbon footprint impacts of requested business travel before they are submitted for approval.</p> <p>Other key tools managed by EY teams give EY leadership, teams and individuals the ability to monitor emissions related to business travel and client engagements to help achieve our emissions goal:</p> <ul style="list-style-type: none"> ■ Organization-wide travel emissions dashboard which tracks progress against EY travel emissions targets and is open to everyone across EY member firms ■ Traveler dashboard providing employees insights into their booking behaviors and how the decisions they make impact their wellbeing, costs, and the environment ■ Travel carbon estimator tool used to calculate the travel emissions for client and internal projects, which can be used in conversations with clients about the right amount of travel to support business needs and climate objectives <p>In FY24, we continued to implement and enhance a GHG emissions tracking system across member firms. Third-party assurance was extended to include our Scope 3 Category 1: Purchased Goods & Services emissions.</p>
<p>5) Carbon offsets Nature- and science-based projects that remove or offset more carbon than we emit, every year</p>	<p>EY continued to invest in high-quality offsets to mitigate our residual emissions, reducing or removing more carbon than we emit. In FY24, 100% of our FY24 emissions were offset across 11 projects. Additionally, we covered 100% of purchased goods and service emissions.</p>
<p>6) Suppliers Require 75% of EY suppliers, by spend, to set science-based targets no later than FY25</p>	<p>We are working closely with our suppliers: 61% of suppliers by spend now have science-based targets and we are investing in training for remaining major suppliers to help them through the target-setting process.</p>
<p>7) Clients Invest in services and solutions that help clients create value from decarbonizing their businesses and provide solutions to other sustainability challenges and opportunities</p>	<p>We continued to invest in solutions to help clients decarbonize their businesses with technology-enabled tools such as EY Climate Analytics Platform, EY Carbon Modelling Tool, ESG Disclosure and Climate Risk Management Tool, EY ESG Suite and EY Nature Analytics Tool.</p>

Fig. 8. Annual EY GHG emissions

GHG emissions (tCO ₂ e)	FY19	FY22	FY23 ^a	FY24
Total emissions (location-based)	1,354,000	597,000	762,000 ^a	919,000*
Total emissions (market-based)	1,377,000	563,000	733,000 ^a	832,000*
Scope 1	8,000	18,000	20,000	19,000*
Scope 2 (location-based)	159,000	148,000	137,000 ^a	136,000*
Scope 2 (market-based)	181,000	114,000	108,000 ^a	49,000*
Scope 3	1,187,000	431,000	605,000	764,000*
Category 3: Fuel- and energy-related activities	17,000	26,000	25,000	19,000
Category 5: Waste generated in operations	19,000	18,000	20,000	21,000
Category 6: Business travel	952,000	230,000	395,000	552,000
Category 7: Employee commuting	199,000	157,000	165,000	172,000

We measure our greenhouse gas emissions and offsets to validate progress toward our existing science-based decarbonization targets set in 2021. GHG emissions are calculated in line with the EY global carbon footprint methodology. This is based on the GHG Protocol Corporate Accounting and Reporting Standard developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD).

Our FY24 Category 1: Purchased Goods & Services were 334k* tCO₂e and are reported separately as this category of emissions is not within the boundary of our original carbon ambition and existing science-based decarbonization target. We obtained external assurance obtained over GHG footprint covering Scope 3 Category 1, Purchased Goods & Services emissions in FY24.

a. FY23 data are restated due to overestimation and improved data availability for the previous reporting year.

* Data has been subject to external assurance. Refer to the [EY Value Realized 2024](#) report for the assurance statement.

Fig. 9. Annual EY GHG emissions intensity

Greenhouse gas emissions intensity			
	FY22	FY23 ^a	FY24
Emissions (market-based) per dollar revenue (tCO ₂ e/US\$000)	0.0124	0.0148	0.0162*
Emissions (location-based) per dollar revenue (tCO ₂ e/US\$000)	0.0131	0.0154	0.0179*
Emissions (market-based) per employee (tCO ₂ /FTE)	1.6	1.9	2.2*
Emissions (location-based) per employee (tCO ₂ /FTE)	1.7	2.0	2.4*

Fig. 10. Annual EY energy consumption by source

Energy consumption (MWh)			
	FY22	FY23 ^a	FY24
Total energy consumption	452,600	430,000	364,900*
Non-renewable sources	317,300	303,100	141,300*
CNG	600	1,300	2,400
Diesel	8,000	6,200	5,500
LPG	15,000	16,200	300
Natural Gas	27,800	32,600	24,700
Petrol	17,600	16,800	11,800
Purchased electricity	153,800	152,400	29,100
Heating and cooling	95,000	73,600	67,600
Renewable resources	135,300	126,600	223,600*
PPAs and energy attribute certificates	135,300	126,600	223,600

a. FY23 data are restated due to overestimation and improved data availability for the previous reporting year.
 * Data has been subject to external assurance. Refer to the [EY Value Realized 2024](#) report for the assurance statement.

Fig. 11. Annual percentage of EY renewable energy consumption

Renewable energy (%)			
	FY22	FY23 ^a	FY24
Office electricity usage from renewable sources	47%	45%	88%

Fig. 12. Annual EY energy of revenue

Energy intensity (MWh/US\$000)			
	FY22	FY23 ^a	FY24
Energy consumption per dollar revenue	0.0100	0.0087	0.0071*



“
 We are proud of our progress
 against the targets we set out
 in 2021.”

Global offset projects in FY24

We curated the FY24 offset portfolio to emphasize the importance of avoidance projects for the short-term while recognizing the importance of the long-term benefits of removal projects.

We succeeded in our objectives for the FY24 offset portfolio, including:

- Covering EY's residual footprint, including purchased goods and services
- Increasing the share of removal projects, which increased from 22% in FY23 to 38% in FY24
- Focusing on credit quality by ensuring all suppliers and projects meet EY's robust bespoke due diligence process including assessments on:
 - Suppliers: focused on reputation, governance procedures and transparency
 - Projects: evaluates vintage year, third-party validation, additionality, permanence, absence of double counting
 - Post-retirement: continued monitoring of projects to mitigate risk

Fig. 13. GHG mitigation projects financed through carbon credits

Greenhouse gas emissions mitigation projects financed through carbon credits

	FY22	FY23	FY24
Total carbon credits cancelled (tCO ₂ e)	724,000	933,000	1,168,000*
Mitigation activity type (%)			
Reduction	86%	78%	62%*
Removal	14%	22%	38%*

- There were zero credits purchased from projects based in the EU.
- In FY24, EY allocated decarbonization costs to member firms based on their portion of travel emissions.

* Data has been subject to external assurance. Refer to the [EY Value Realized 2024](#) report for the assurance statement.





Fig. 14. FY 24 Carbon avoidance and removal portfolio

Type	Removal/avoidance	Project name	Location	Country	Area	Supplier	Standards	Total credits
Blue carbon	Removal	Delta Blue Carbon	Sindh Province	Pakistan	EMEIA	Act Commodities; ClimatePartner	VCS	88,782
Carbon capture	Removal	CO ₂ Utilization in Concrete - CarbonCure	Adairsville	United States	Americas	Act Commodities	VCS	5,000
Forest	Avoidance	Acapa - Bajo Mira Y Frontera (Acapa-BMF) REDD+ Project	Nariño	Colombia	Americas	Act Commodities	VCS	55,933
Forest	Avoidance	Avoided Conversion Cerrado	Goais	Brazil	Americas	Act Commodities	VCS	178,965
Forest	Avoidance	Katingan Peatland Restoration and Conservation Project	Central Kalimantan Province	Indonesia	APAC	ClimatePartner; Eco Act	VCS	368,000
Forest	Avoidance	Kuamut Rainforest Conservation Project	Sabah	Malaysia	APAC	Eco Act	VCS	70,000
Forest	Removal	Chihuahua Bundle Ejidos CAR 1660	Guerrero	Mexico	Americas	Eco Act	CAR	82,457
Forest	Removal	Kuamut Rainforest Conservation Project	Sabah	Malaysia	APAC	Eco Act; South Pole	VCS	169,557
Forest	Removal	Reforestation of Degraded Forest Reserve Areas in Ghana, West Africa	Ashanti	Ghana	EMEIA	Abatable	VCS	90,900
Forest	Removal	Reforestation with Teak CO ₂ E TEAKMEX	Tabasco, Chiapas, and Campeche states	Mexico	Americas	South Pole	VCS	12,257
Renewable energy	Avoidance	Zhoukou Geothermal	Henan Province	China	APAC	Eco Act	VCS	46,343

Nature assessment

As we initiated the evaluation of our environmental impact, our initial focus has been on understanding the interaction between our physical assets and the vital resources of land (as it relates to our interaction with Key Biodiversity Areas) and water. While our current assessment provides a snapshot of where our offices stand in relation to these natural elements, our upcoming strategic refresh will expand our metrics, enabling us to delve deeper into our ecological footprint.

Fig. 15. Key biodiversity areas

	FY23	FY24
	49	58
Percent of offices in within 1km of KBA	6%	6%
Percent of workforce within 1km of KBA	4%	4%

Fig. 16. Water-stressed locations

	FY23	FY24
Offices within 1km of high/ extremely high-risk areas	206	293
Percent of offices within 1km of high/extremely high-risk areas	25%	30%
Percent of workforce within 1km of high/extremely high-risk areas	40%	47%

Upskilling EY people

Our Workforce Upskilling initiative is pivotal in preparing EY people for a greener economy. The following metrics highlight engagement in our sustainability education efforts, underscoring our commitment to continuous learning and development.

Fig. 17. Sustainability learning

	FY24
Total Sustainability badges completed by EY employees	11,635
Number of PPEDDS completing the ESG Executive Series since program launch	4,800+

Engaging EY people

The EY Ripples program exemplifies our investment in community transformation through dedicated volunteerism and skill-sharing. The ensuing metrics reflect our active participation in driving positive change, highlighting the impact of our collective efforts.

Fig. 18. EY Ripples

Accelerating environmental sustainability through the EY Ripples Program	FY24
Total AES Ripples Initiatives	338
Circular economy related initiatives	212 (63%)
Land-based clean-ups (Urban Agriculture)	73 (21.6%)
Reforestation Initiatives	53 (15.7%)
Number of employees participating in Zooniverse related events*	26,849

* [How citizen scientists are mobilizing to save the planet](#) | EY - Global



APPENDICES

1. Taskforce on Climate-related Financial Disclosures (TCFD) Index

The TCFD recommendations are structured around four thematic areas that represent core elements of how companies operate: governance, strategy, risk management, and metrics and targets. The four recommendations are interrelated and supported by 11 recommended disclosures that build out the framework with information that should help investors and others understand how reporting organizations think about and assess climate-related risks and opportunities. The disclosure below links to reporting locations of information relevant to each recommendation.

Recommendations	Reporting location
Governance	
a. Describe the board's oversight of climate-related risks and opportunities.	Environmental governance
b. Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Impact on strategy Risk and impact management
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	

Recommendations	Reporting location
Risk management	
a. Describe the organization's processes for identifying and assessing climate-related risks.	Impact on strategy Risk and impact management
b. Describe the organization's processes for managing climate-related risks.	
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and targets	
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Metrics and targets
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	

2. Taskforce on Nature-related Financial Disclosures (TNFD) Index

The TNFD has developed a set of disclosure recommendations and guidance that encourage and enable business and finance to assess, report and act on their nature-related dependencies, impacts, risks and opportunities. The disclosure below links to reporting locations of information relevant to each recommendation.

Recommendations	Reporting location
Governance	
a. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	Environmental governance
b. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	
c. Describe the organization's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organization's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	
Strategy	
a. Describe the nature-related dependencies, impacts, risks and opportunities the organization has identified over the short, medium and long term.	Impact on strategy
b. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organization's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	Risk and impact management

c. Describe the resilience of the organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	Impact on strategy Risk and impact management
d. Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	
Risk and impact management	
a.(i) Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its direct operations.	Impact on strategy Risk and impact management
a.(ii) Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s)	
b. Describe the organization's processes for managing nature-related dependencies, impacts, risks and opportunities.	
c. Describe how processes for identifying, assessing, prioritizing and monitoring nature-related risks are integrated into and inform the organization's overall risk management processes.	

Recommendations

Reporting location

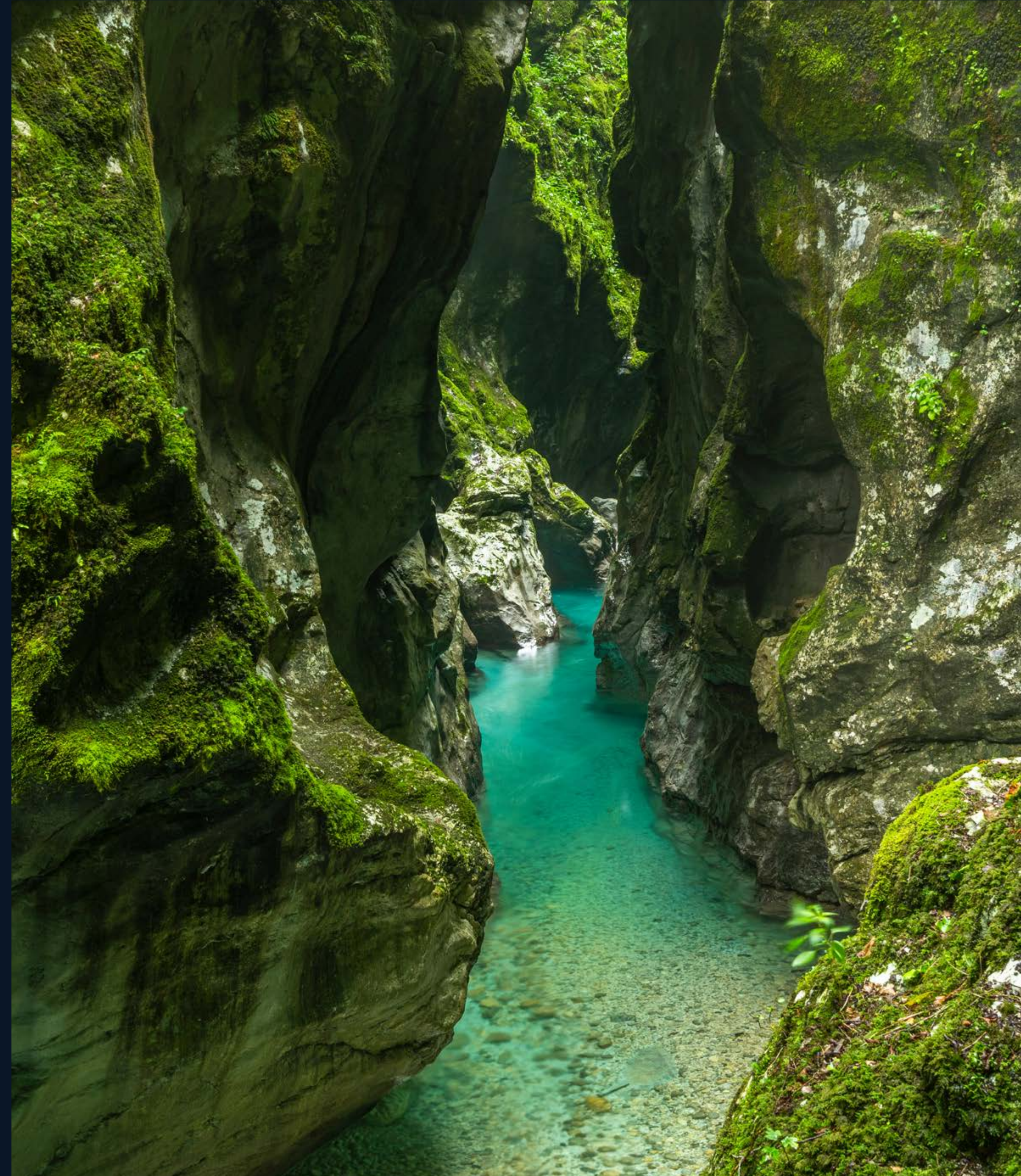
Metrics and targets

- a. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.
- b. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.
- c. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.

Metrics and targets

3. WEF-IBC Stakeholder Capitalism Metrics – summary tables

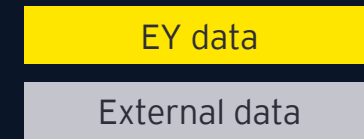
As part of EY membership in the World Economic Forum’s International Business Council (WEF-IBC), the WEF-IBC Stakeholder Capitalism Metrics are included in the *EY Value Realized 2024* report. The EY commitment to report on the metrics is subject to the “disclose or explain” principle. The EY global organization includes member firms that are structured in different ways. Certain metrics may request data that may not adequately measure EY contribution to stakeholder capitalism. Where applicable, narratives and explanations have been provided in response to the metric.



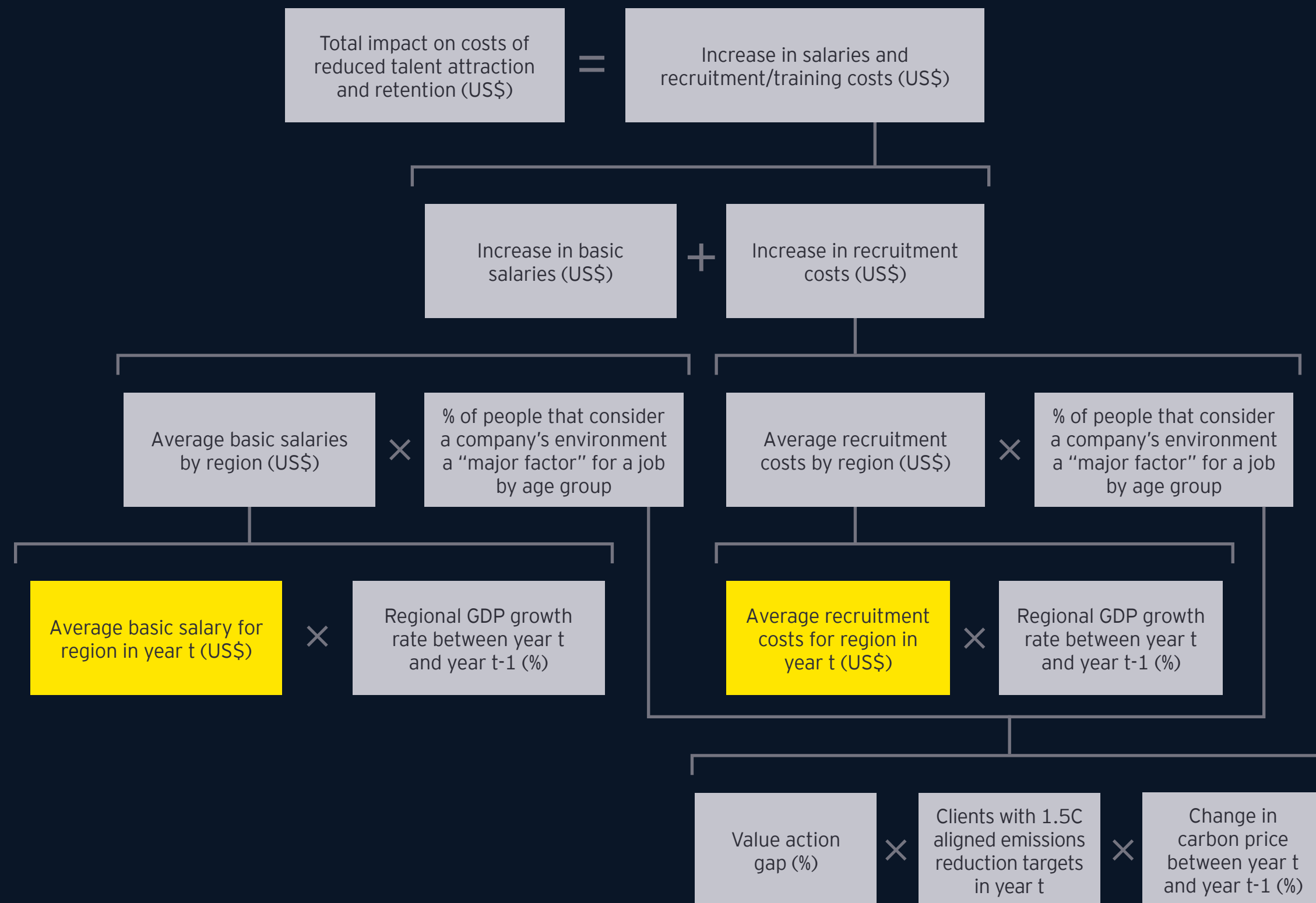
4. Climate risk methodology

Transition risk: Reduced talent attraction and retention

Key

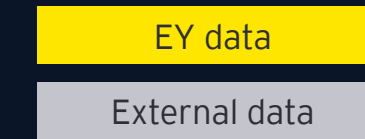


Calculation methodology:

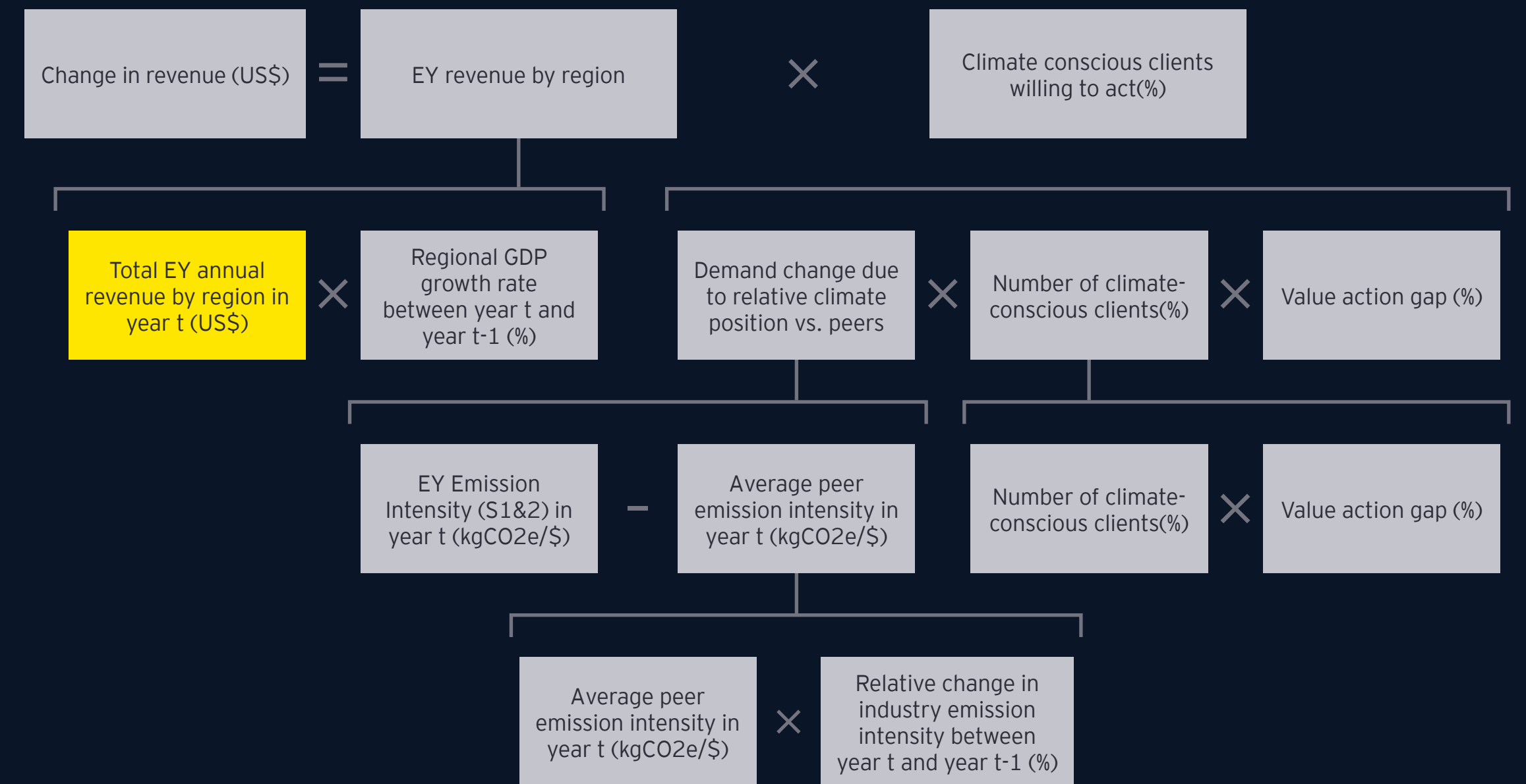


Transition risk: Reputation impact due to a failure to meet public, self-imposed climate targets

Key

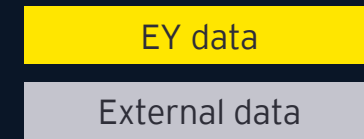


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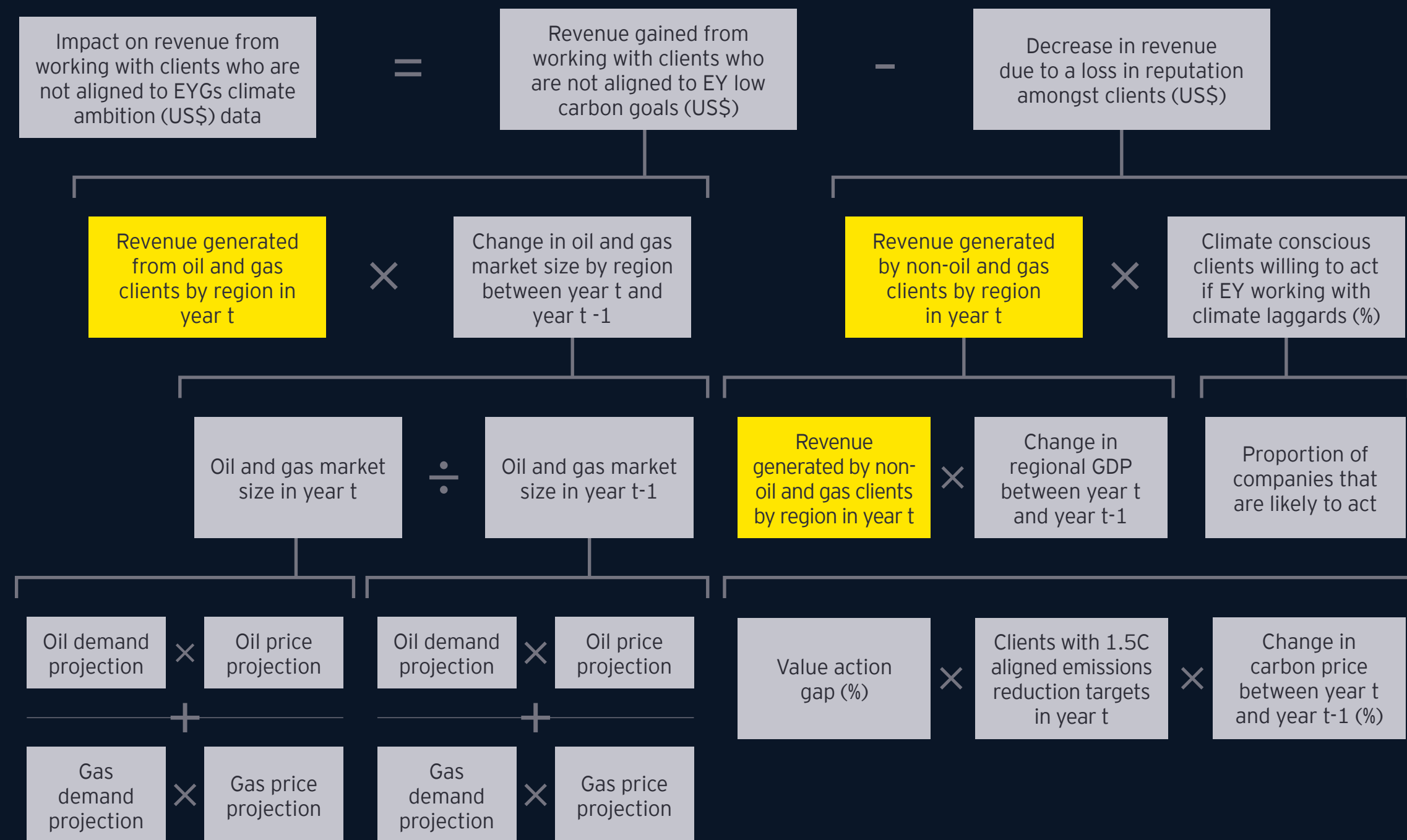


Transition risk: Reputation impact from pursuing client engagements which are not aligned to EY's net-zero goals

Key

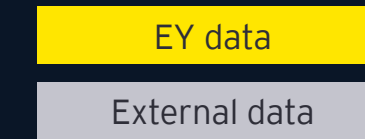


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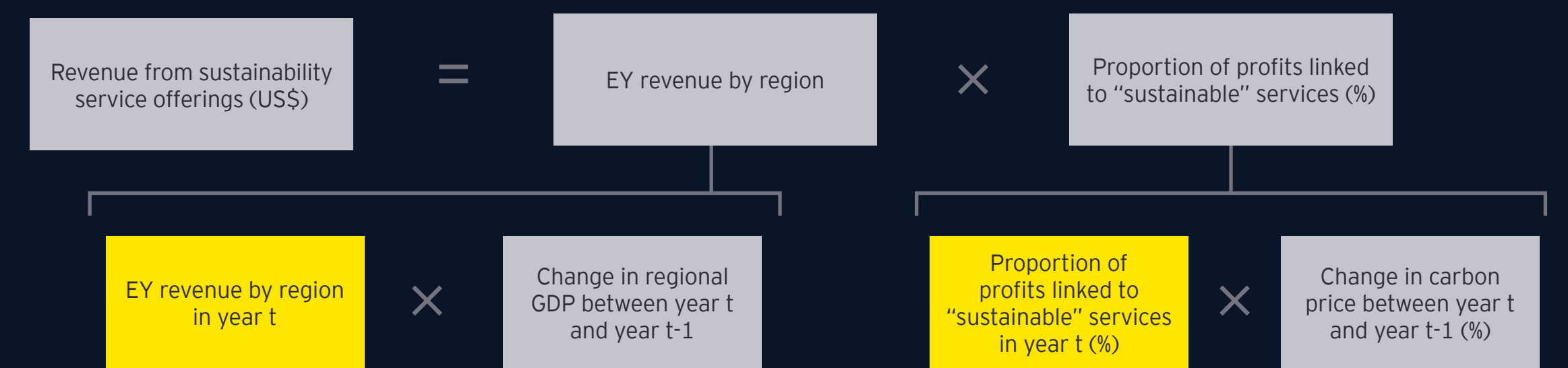


Transition opportunity: Increase in sustainability-related services

Key

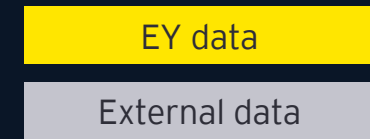


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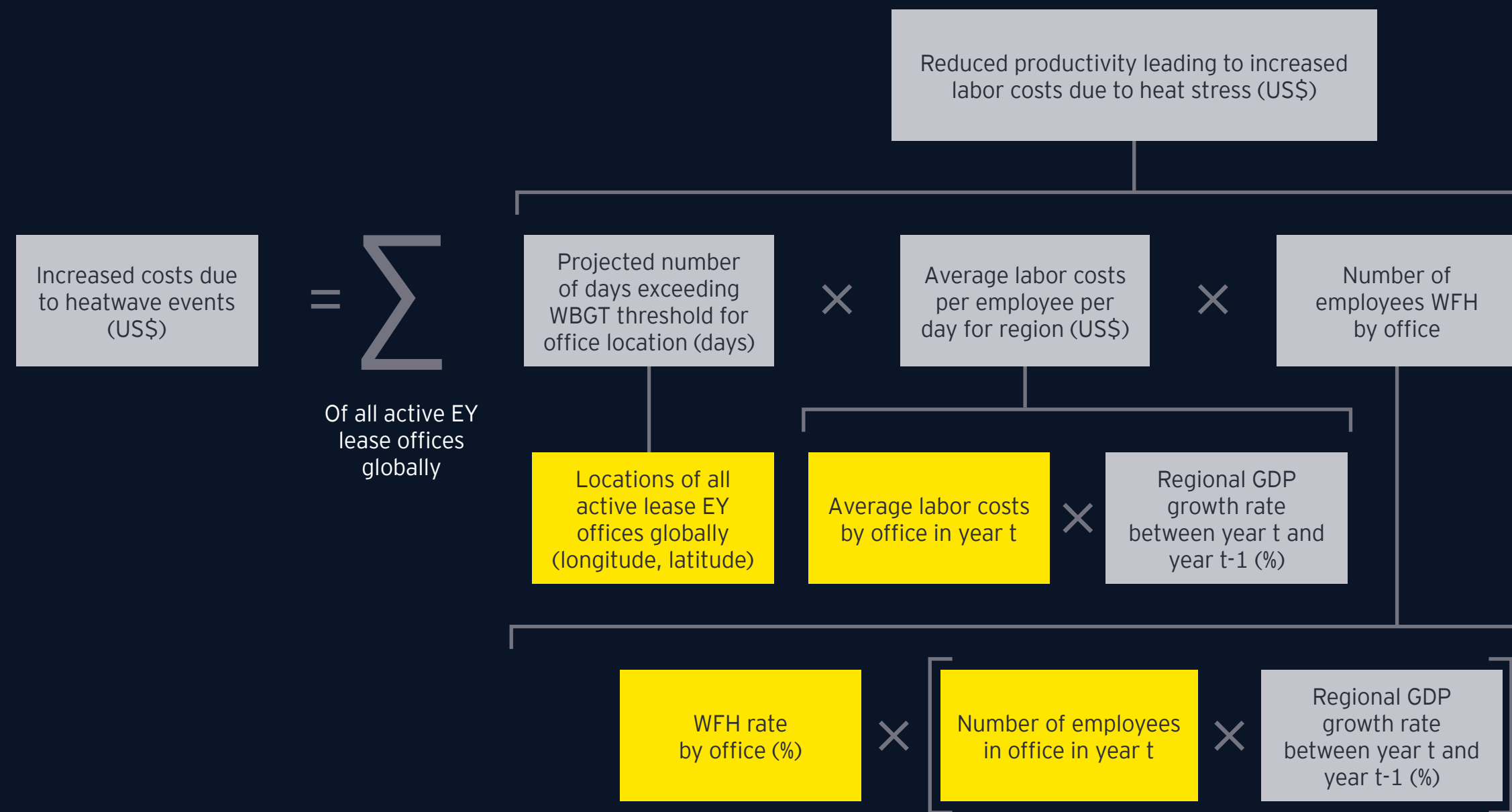


Physical risk: Increased temperatures leading to heightened risk to employee health and wellbeing

Key

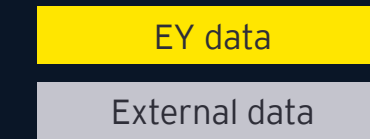


Calculation methodology:

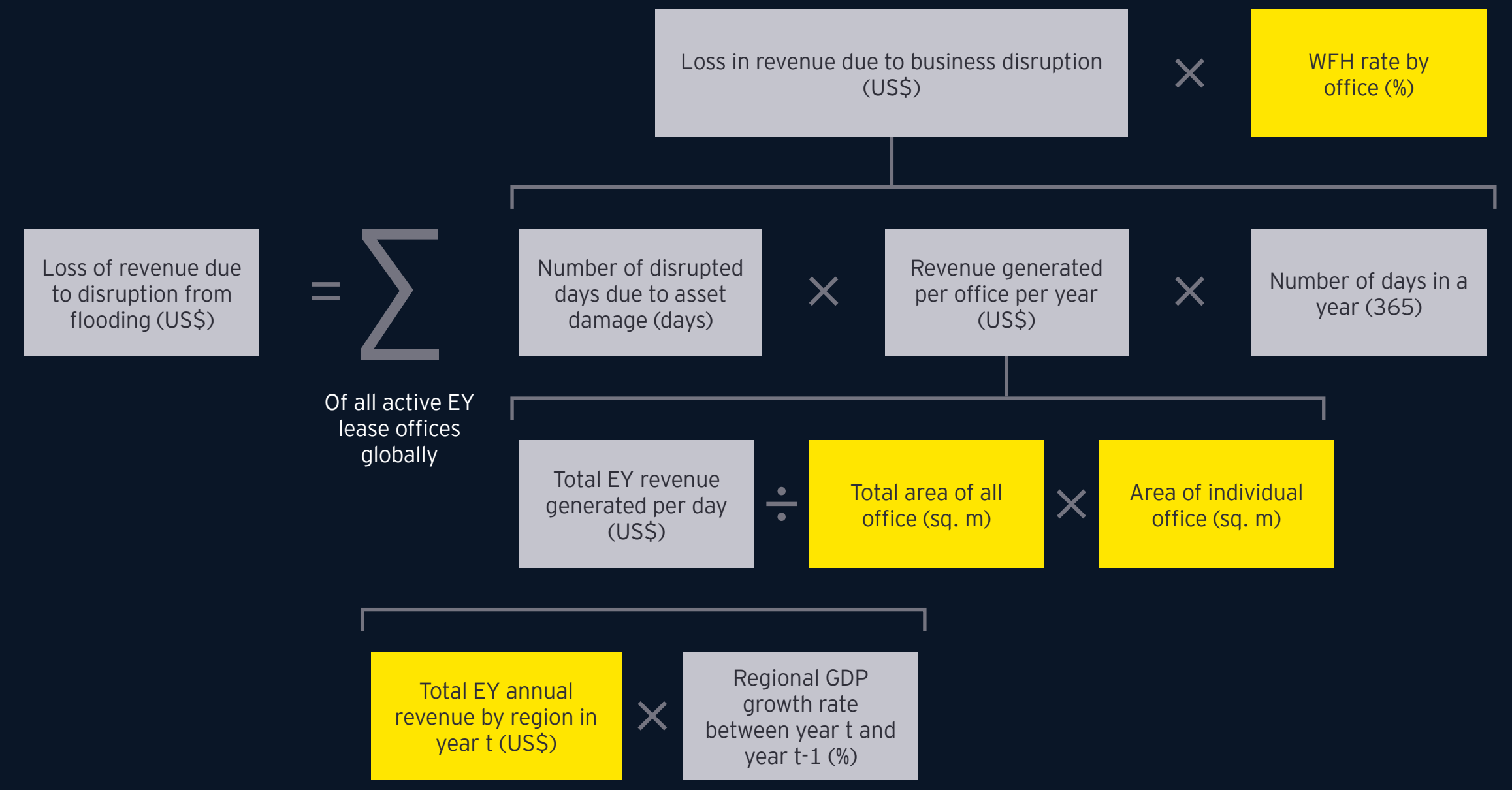


Physical risk: Increased intensity, frequency and/or duration of flooding, impacting office buildings and public infrastructure

Key



Calculation methodology:



EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

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